FOR THE COIN-OP ENTERTAINMENT INDUSTRY

JULY 15, 1986

PLAY METER

1986 SPRING BUYERS GUIDE

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PLAY METER

Twice a Month Publication for the Coin Operated Entertainment Industry

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Letters to the editor . . .

Lost "Up Front" leads to doghouse

A few months back in *Play Meter* was an "Up Front" editorial that I thought was great. It was about the vendor and the location—how we buy, service, run tournaments, get licenses, etc., and the location gives us space along with a lot of demands and most usually gets half the receipts. Would you mind sending me a copy of the article, as I misplaced mine and would love to have it. Really, my husband asked me to save it and I forgot.

I would appreciate anything you could do to get me out of the doghouse so that we can use this article as a referral. Thank you.

Mell Rossi
Jon-Ray Vending Co., Inc.
Riverside, N.J.

[*Editor's note: The "Up Front" column in question was written by Valerie Cognevich, director of advertising/executive assistant, and appeared in the January 15, 1986, issue. We mailed Mrs. Rossi her copy and hope it has gained her release from the dog house.*]

Tournament leaves out Alaska

The Video Game Masters Tournament in 1985 involved 27 arcades in the U.S. and Canada and put scores of 90 players in the *Guinness Book of World Records*. This year the same contest was held, yet none of the arcades, and few of the players, were allowed to participate. Bally's Aladdin's Castles, Inc., bought the exclusive rights to the tournament. This effectively barred Alaska and Hawaii from competing, as well as the original 27 arcades.

We are extremely proud of our players. In 1984, 12 players were listed in the *Guinness Book*, and in 1985, 14 players either retained there high scores or set new records. This year they were told, "We're sorry, but you can't play anymore."

The appeal of the 1984 and 1985 tournaments was in the idea that anyone could walk off the street and try for the *Guinness Book*. It brought business to our arcades, gave players something to strive for, and brought the players and operators together in a common cause.

It is a shame that this year's tournament is going to be nothing more than an advertising gimmick for Bally's Aladdin's Castles, benefitting neither the operators who originally held the event nor the players who made it work.

Steve Harris: You sold out. Walter Day: Where are you?

Jan Town
Anchorage, Alaska

[*Editor's note: According to Steve Harris of the U.S. National Video Game Team, the team's main objective in co-sponsoring the 1986 Video Game Masters Tournament, which was held June 27-29, was to involve as many players as possible. Bally's Aladdin's Castles, he said, with 330 arcade locations, offered the most efficient way of doing that. Harris said with 2,000 players signed up for this year's tournament, compared with 400 in 1985, more players benefitted from the tournament in 1986. "We wanted to have Anchorage, Alaska, involved," he said, "but it wasn't possible." Walter Day, the Iowa arcade operator who developed the Twin Galaxies International Scoreboard and the U.S. National Video Game Team, is no longer involved in the coin-op amusement industry. Read "Video game team seeks industry influence" in this issue of* Play Meter *for more information about the team and the tournament.*]

Something on your mind you want to vent? Got a gripe? Full of praise? Have a question? If you have comments on the coin operated entertainment industry, write to Play Meter. *Our "Letters to the Editor" columns are dedicated to you, the operator/reader.*

All letters must be signed; if requested, only initials will be used or the name withheld from print. Please include return address. (Although, for the sake of your privacy, addresses will not be printed.) All letters subject to standard editing. Be concise.

UP FRONT

Alternatives worth a look

A *Play Meter* issue featuring novelty pieces, private pay telephones, and kiddie rides may not have brought more than a glance a few years ago when everyone had video fever. But with operators now looking at equipment that does not have a prohibitive price, has staying power, will earn a fair profit, and will be in demand, this issue featuring some of the alternatives to video games should be popular.

Bonnie Theard, *Play Meter*'s contributing editor, spent a lot of time compiling the product photos, and making this the most comprehensive buyers guide for novelties, phones, and kiddie rides ever. Some innovative and exciting product has been introduced in those categories.

The private pay-telephone industry has been growing. New companies have been added to the list of pay-phone manufacturers and distributors, and operators still are seeking any and all information about this potentially lucrative industry. Our 1984 Buyers Guide was published just before deregulation made the private pay-phone industry possible, and no pay phones were listed in it. Since then the emergence of pay-phone manufacturers has been tremendous. I can't imagine having to choose equipment from all that is offered, and it is getting better all the time. But my advice to operators is to know exactly what you need and make sure you buy equipment that is compatible with regulations in your area. The private pay-phone industry has a lot of growing to do yet.

When looking at the new kiddie rides, I can honestly say I wish I were a kid again with a parent who understood a child's craving for a thrilling escape on a kiddie ride. Maybe kids sense that these marvels were designed with only them in mind. The equipment is ageless. Bonnie's November 15, 1985, *Play Meter* article on kiddie rides is worth a look back to read the views of kiddie-ride operators.

The novelty pieces continue to amaze. They are geared for all ages, from the older "kids" playing *Skill-O-Bingo, Four Kings, Pop-O-Shot, Batter Up!*, and *Idea Ball* to the teenagers testing their prowess on the *Love Meter* and *Wheel of Love*, to the youngsters throwing balls at characters in garbage cans in *Can Alley* or pounding critters on *Whac-A-Mole*.

Some operators will say they have no use for this kind of equipment. They may profess to be making so much on video and pins that they don't need to operate "the other stuff." Fine. Let them ignore it while others make a steady income with a low initial investment on some of the most exciting equipment available.

No one will promise that this equipment will make you a million dollars the first month. They won't even guarantee it will make you a fortune, ever. All anyone can promise is that it makes good sense to look at a variety of equipment, keep an open mind, and study the potential. And for those who decide to give this equipment a try, we hope you will use our gallery of photos and study the details from companies who have given you more information in an ad. You have nothing to lose and everything to gain.

Valerie Cognevich

Valerie Cognevich
Director of Advertising/
Executive Assistant

NEWS

Digital Controls closes doors

Two weeks after filing for reorganization under Chapter 11 of the bankruptcy code, Digital Controls, Inc., on July 7 laid off its employees and closed its Norcross, Ga., facility.

"When the call went out for more capital to continue building games and paying employees' salaries," a company source said, "the answer we got back was 'no.' "

That answer came from the firm's major stockholder, Si Redd, who, according to another source, twice before had bailed the company out when it was threatened by rising debts. Early last year, the source said, Redd assumed control of most of the company's stock by buying off a bank debt of more than $2 million and later in the year put up another $1 million to keep Digital running.

In late June this year, Redd, founder and chairman of Reno, Nev., slot-machine manufacturer International Game Technology, again found Digital in trouble. He accepted the resignation of Mike Macke, the company's co-founder and president, and filed for reorganization in federal bankruptcy court. Under the cloak of Chapter 11 reorganization status, a company is given relief from its current debt and an opportunity to continue operating while it devises a plan to pay off all or at least part of its debt.

Although Redd is listed as Digital's major creditor—about $2.1 million of the company's $2.6 million debt is owed him—he apparently changed his mind about the company's future and opted to close down.

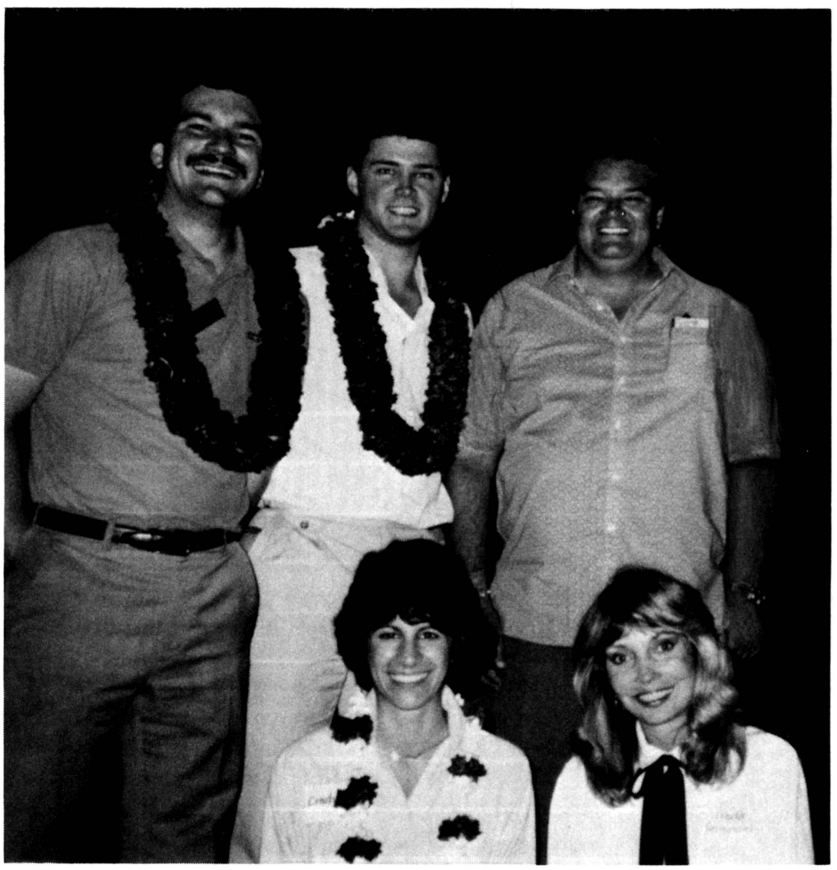
Digital Controls opened in 1981 when Atlanta natives Macke and Mike Pace set up shop in Norcross and began selling *Little Casino*, a countertop video card game. The amusement-only game was aimed at operators who wanted to profit from the video card-game craze but didn't want to operate pay-out machines or credit pokers.

More than 20,000 *Little Casino* games were sold in its original edition, a color version, and a conversion kit for the company's Countercade system.

When sales of the game began to fall, Digital turned to other equipment—a digital-readout adding game called *Tactician*, an upright game called *Lode Runner*, and the upright *Ghosts 'N Goblins* licensed from Capcom. The company also tried to diversify into videodisc training hardware and software for the retail computer industry, but Digital's entry into that market coincided with a slump in the retail computer business.

While the general decline of the coin-op industry after 1982 and Digital's inability to gain the support of major distributors hurt the company, the knockout punch may have come when sales of *Ghosts 'N Goblins* were cut into by the wide availability of counterfeit versions.

"Almost as soon as we signed the agreement to manufacture and market the game, pirated games started appearing in locations around the country," said the Digital source, who asked not to be identified. "We even had trouble with parallel boards." The company had hoped the game would enable it to show a profit for 1986.



Attending opening festivities of 50th State Coin-Op are, standing from left, Brian Duke, Greg Rice, and Kane Fernandez. Seated are Cindy Duke, left, and Linda Fernandez.

THE CALENDAR

August 14-17
Michigan Tobacco & Candy Distributors and Vendors Association Annual Convention, Boyne Mountain. Contact Walter P. Maner at (517) 372-2323.

August 29 - September 1
Fifteen year Foosball Reunion Festival and $30,000 Championship, Hyatt Regency, Long Beach, Calif. (Team and Singles Competition, Hall of Fame Inductions, and History of the Sport Display). Contact Tom Craig, 4107 N.W. 13th Ave., Ft. Lauderdale, FL, (305) 772-3667.

September 11-13
West Virginia Music and Vending Association Convention, Wilson Loge, Oglebay Park, Rt. 88N, Wheeling, WV 26003. Contact Leoma W. Ballard, 1701 West DuPont Ave., Belle, VW 25015, (304) 949-3289.

September 12-14
North Carolina Coin Operators Association 1986 Music and Games Expo, Charlotte Marriott, Tyvola Road, Interstate 77. Contact Bobby Earp at (919) 584-4388 or write to NCCOA, 2213 Westover Terrace, Burlington, NC 27215.

September 19-20
MCMOA (Michigan Coin Machine Operators Association) convention, Flint Hyatt Regency, Flint, Mich. Contact Walter P. Maner, 523 W. Ionia, Lansing, MI 48933, (517) 372-2323.

September 28-30
Amusement Business Seminar at the Sands Hotel in Atlantic City, NJ. Contact the Amuse]ment Business Sponsorship Seminar, 14 Music Circle East, Nashville, TN 37203, (615) 748-8120.

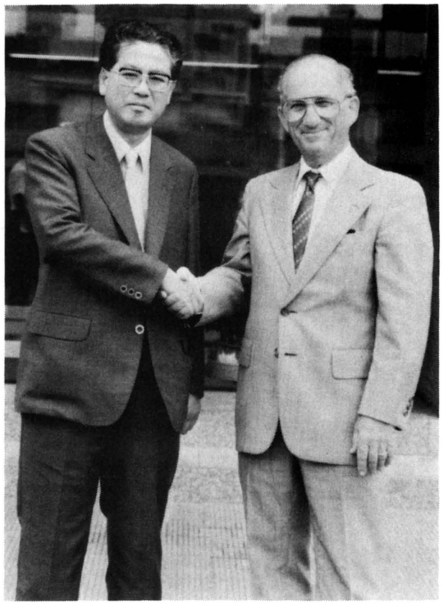
October 23-26
National Convention-Exhibit of Vending and Foodservice Management, McCormick Place, Chicago, Ill. Organized by the National Automatic Merchandising Association. Contact Walter W. Reed at (312) 346-0370. 6,000 registrants are expected.

November 6-8
AMOA Expo '86, the Amusement & Music Operators Association's 37th international exhibition and seminar for the coin-operated games, music, and vending industry, Hyatt Regency Chicago. Contact Amusement & Music Operators Association, 111 E. Wacker Drive, Chicago, IL 60601; (312) 644-6610.

With the closing of the company's doors in Georgia came questions about how Digital's inventory would be disposed of and rumors that the company may somehow re-emerge in Nevada. Founders Macke and Pace said they would remain in the coin-op business and were planning either to open a new company or join with an existing manufacturer.

Meanwhile, one of the laid-off Digital employees, John Ebert, is hoping to profit from the situation by starting a company to service Digital equipment.

"I can service anything Digital ever made," Ebert said, adding that his new company will be named Video Services and will offer 24-hour turnaround time. He said he will have Digital parts available, but will not honor Digital warranties. Ebert's address and telephone number are 1579 Harbins Road, Norcross, GA 30093; (404) 925-8337. •



Masami Maeda (left) chairman of Sun Electronics, and Joe Robbins, founder of Kitkorp, shake on Sun's acquisition of Kitkorp. Robbins remains as president of the company, which has been renamed Sun Corporation of America.

Sun acquires Kitkorp

Sun Electronics Corporation, a Japanese manufacturer of video games and microcomputer-applied systems, has acquired Kitkorp, the Elk Grove Village, Ill., game maker.

With the acquisition, Kitkorp has become the Sun Corporation of America, a wholly owned subsidiary of Sun Electronics, and will market the parent company's products in North America and South America. The company also will market other games.

Joe Robbins, Kitkorp's founder and former president of the American Amusement Machine Association, remains as president of the new company. Masami Maeda, Sun Electronics chairman, is chairman of the U.S. subsidiary as well. Richard Robbins is vice president of operations and sales, and Anthony Elvikis manager of technical service. •

Ikari Warriors copies appear

The success of *Ikari Warriors*, the SNK Corp. video licensed in the U.S. to Tradewest, has unsurprisingly led to the appearance of counterfeit versions of the game, according to reports in foreign trade journals.

Eikichi Kawasaki, president of SNK, was quoted in the Japanese trade publication *Game Machine* as saying the copies are being manufatured in South Korea and "are of quite inferior quality, incapable of using the original control joystick of *Ikari*. Though the screen image may be the same, the game content lacks essential parts. Any operator who regards the counterfeit as being genuine will be greatly damaged."

Meanwhile, in a report in the U.K.'s *Coin Slot International*, John Stergides, managing director of Electrocoin Automatics, said the copy boards had shown up in Britain under the names *Two Rambos* or *Ikari*.

"This game is simply not the same game as *Ikari Warriors* despite the implications of the names," Stergides said. "The copy game uses two ordinary joysticks, and they cannot control the game character or his direction of fire. The copy game will not allow a second player to join in the game either, and this is one of the main features of the genuine game." •

Nintendo develops new gun for VS.

After receiving complaints from operators about the susceptibility to wear and vandalism of its guns for the VS. System, Nintendo of America has developed a new gun that the company says "will not bend or shatter even under stressful operating conditions."

The new guns are available from Nintendo-authorized distributor parts departments or with the purchase of a VS. Gun Pak. Operators also may

exchange old guns for new at Nintendo distributors "at a nominal cost."

The casing of the new gun is made of polycarbonate, a durable plastic, and a swivel cable attachment has been added that allows 360-degree rotation of the gun to lessen the chance of the cable breaking. Included with the new gun are a security chain and new holster. All parts can be repaired or replaced by operators, according to Nintendo. •

Nintendo, Sega introducing home systems

Two coin-op manufacturers, Nintendo of America and Sega of America, displayed home-game systems for the U.S. market at the recent Consumer Electronics Show in Chicago.

According to a report in *Advertising Age*, both companies, as well as Atari Corp. (which is not affiliated with Atari Games), are primed to revitalize the home computer-game market.

Nintendo showed its Nintendo Entertainment System, whose sales in Japan, where it is marketed as the Family Computer (Fami-Com), are expected to exceed 8.5 million units in the next month. The system was tested successfully in New York last fall, and according to *Advertising Age*, Nintendo plans to spend $35 million on advertising in the last four months of 1986 as it introduces the system nationally.

Nintendo's Gail Tilden was quoted as saying the company expects to sell 1.5 million of the $160 home systems by the end of the year.

Sega of America, the U.S. subsidiary of Japan's Sega Enterprises, was reported to have been encouraged to enter the U.S. home market by the success of Nintendo's market test. The company's $150 Master System is to be introduced this fall with a $9 million advertising effort that is expected to generate sales of between 750,000 and one million units.

Atari Corp. expects to sell 3 million of its two lower-priced systems, the Atari 2600 and 7800.

Sales of home video-game systems fell to about one million units last year from a peak of 8.2 million in 1982, the magazine reported, but sales are expected to jump in 1986, with year-end Christmas buying accounting for most of the volume.

The success of Nintendo's home system in Japan has attracted the attention of the *Wall Street Journal*, which profiled the company in its June

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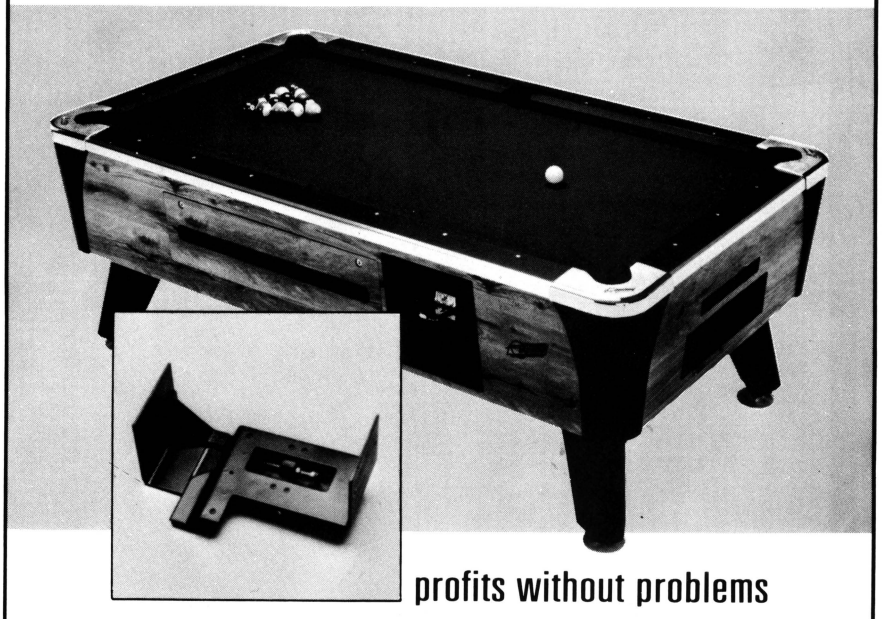

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27 edition. And in Japan that success, combined with the popularity of *Super Mario Bros.*, has resulted not only in the proliferation of *Super Mario Bros.* products, such as shirts, blankets, pencils, and shoes, but also a video instructional tape and a feature film entitled *Super Mario Bros.—Operation to Rescue the Princess Peach.*

Since U.S. testing of the home system began last year, Nintendo executives have repeatedly—and vehemently—insisted that the company is committed absolutely to its U.S. coin-op business and that it will do nothing to jeopardize the success of Nintendo's VS. System for coin-op games. The company has emphasized its resolve to ensure a steady flow of good game software for the system, about 100,000 of which have been sold. •

AAMA asks JAMMA help

The American Amusement Machine Association (AAMA) has asked its Japanese counterpart, the Japanese Amusement Machinery Manufacturers Association (JAMMA), to require its members to emboss the names of U.S. copyright holders on printed-circuit boards bound for the U.S. market.

AAMA also has asked that Japanese manufacturers program the software of games intended only for the Japanese market so that the words "This game illegal for use in the USA" appear on the video screen.

The requests were sent to JAMMA in the form of a June 30 AAMA resolution that referred to the U.S. market as "overrun by counterfeiters and illegal importers of copyright-infringing games." U.S. "manufacturers, distributors, and operators ultimately suffer economic harm to the extent of $2 billion per year," as a result, the resolution continued, and "the cooperation of Japanese game manufacturers is needed to stop these illegal activities." •

Capcom donating to Hesch fund

Capcom USA, Inc., will donate $10 to the Wayne E. Hesch Memorial Scholarship fund from each sale of its *Speed Rumbler* video conversion kit sold before the November 6-8 AMOA Expo '86.

"We felt the donation is for a good cause," said Bill Cravens, Capcom vice president of sales and marketing.

"We also feel *Speed Rumbler* is an excellent product."

The $1,000 annual scholarship is awarded in memory of the AMOA's 1979-80 president and is administered by the AMOA Education Foundation. Carolyn Massakowski of Avoca, Pa., sponsored by Roth Novelty of Wilkes-Barre, Pa., will receive the 1986-87 scholarship at Expo '86. •

Birmingham Vending plans Florida office

Birmingham Vending of Birmingham, Ala., is planning to open an office in Orlando, Fla., according to Al Toranto, company president.

The company has exclusive distribution rights in Florida to the Bally, Bally Sente, and Rowe product lines, Toranto said, and two salesmen, Bill Anderson and Jim Paukner, working the Florida area.

Birmingham Vending had an extensive exhibit at the recent Florida Amusement and Vending Association show, displaying Bally's new *Motor-Dome* and equipment from the other lines it represents. Further strengthening its presence in the state, the company recently sponsored a four-day Rowe service school in Orlando and will sponsor another in Fort Lauderdale in August.

As for expanding into Orlando, Toranto said, "We are just looking for the right location, and as soon as we find it we will open our office down there." •

Tommie Chatten dies

Tommie Chatten, branch manager of Southwest Vending Sales Company in Dallas, died May 27 following a lengthy illness after suffering a stroke in January. He was 67.

"Tommie was a legend in the coin machine business," said John Gatens, president of Southwest Vending Sales. "His own unique style will be badly missed within the industry and Southwest Vending Sales. He had a tremendous love and knowledge of the business that he transferred to all those who came in touch with him."

Chatten enjoyed a 40-year career in the coin-operated amusement business. He began selling Wurlitzer phonographs with Commercial Music Company in Dallas, then joined the staff of R. Warnick and Company, and later State Music, before taking his post at Southwest Vending. Southwest also

Tommie Chatten

has offices in San Antonio and Oklahoma City.

"He was a fantastic gentleman," said Paula Russell of Southwest's Dallas office. "He probably sold more jukeboxes in his lifetime than anyone else in the business."

Chatten is survived by his wife, Doris; four daughters, Barbara Boyd, Pat Gifford, Doris Louise Morgan, and Betty Whalen; 13 grandchildren, and five great grandchildren. •

Atari reports profits

Citing high sales of its *Gauntlet* video game, Atari Games Corporation has reported pre-tax profits of $3.65 million on revenues of $42 million for the year ending March 31, 1986.

The company projects higher profits for the fiscal year ending March 31, 1987, according to Hide Nakajima, Atari Games president.

The company also has appointed Shane Breaks, executive vice president, to the board of directors. The board includes executives of Namco, Ltd., of Japan, which holds controlling interest in the company, and Warner Communications. •

Walk-through video developed

Lazer Maze, a walk-through, player-interactive video fantasy, has been developed by High Technology Recreation Industries (HTR), Inc., a Vancouver, Canada, company.

A new approach in video, *Lazer Maze* was introduced this spring in Edmonton, Alberta. Roland Crump, a former senior project leader for Walt Disney Productions, is credited with the maze's realism. Crump has developed other projects for theme parks, such as Cousteau Ocean Center, EPCOT Center, and Wet and Wild. Nearly $2 million was invested in the prototype maze.

Players enter the maze with a laser blaster to fight animated robots while progressing through four cloud-filled chambers. A magnetic security game card is issued to players on the first entry.

Canadian distribution rights to the game have been bought, and 10 *Lazer Maze* units are expected to open in Canada in the next two years. Lazer Maze International, a wholly owned subsidiary of HTR, Inc., has been established to sell *Lazer Maze* franchises throughout the world.

Franchise and operator inquiries can be sent to Lazer Maze International, Inc., 1033 LaPosada Drive, Suite 160, Austin, TX 79752, (515) 459-0508. •

Gauntlet II promotion contest built-in

U.S. and Canadian players who complete secret tasks designed into the play of *Gauntlet II*, a new version of the original game, will be eligible to enter a contest in which Atari Games will give away prizes valued at more than $12,000.

"We've wanted to do a direct-to-player contest of this sort for a long time," said Mary Fujihara, director of marketing. She added that the game's "adventure theme" presented a good opportunity to include a special optional objective for players.

In the Player Quest contest, the player's objective is to find one of the secret rooms in the game. Upon entering, the player is given a task to perform. When he's completed the task, the player is asked to enter his name and is given a six-digit personalized code, which he then includes in an official entry form to be mailed to Atari.

All *Gauntlet II* kits and dedicated games shipped in the U.S. and Canada include necessary contest materials, including an announcement poster, a contest marquee, and 25 entry forms. The poster and marquee inform players that they can write Atari for entry forms if no more are available.

The first 500 entrants receive *Gauntlet II* Player Quest T-shirts. The first-place winner will receive his

choice of a U.S. Savings Bond worth $5,000 at maturity or $2,500 in cash. Five other winners also will receive prizes. Entries must be postmarked no later than December 19, 1986.

Gauntlet IIs shipped outside the U.S. and Canada will not include contest materials, but the secret rooms and special tasks will be included in the game play so that operators who want to organize contests of their own may do so.

"Even if the player chooses not to submit an entry," Fujihara said, "he can still enjoy the added game-play depth that the contest provides." •

Table-soccer championship and reunion set

The American Table Soccer Federation and Striker Table Soccer of California are sponsoring a $30,000 table-soccer championship and 15-year table-soccer reunion festival August 29-September 1 at the Hyatt Regency in Long Beach, Calif.

Tom Craig, manager of Striker's Tampa, Fla., office, said 32 teams are confirmed for competition in the senior doubles event alone. More than 500 participants are expected to attend.

In addition to doubles competition, there will be singles, women's, novice, and other specialty divisions, plus contests for trick shot, ball control, dead man, and fastest shot.

The reunion will feature a display of table-soccer memorabilia and promotional literature that will remain permanently in Long Beach.

During the activities, nine players and three manufacturers will be inducted into the table-soccer hall of fame. A video history of the sport also is being prepared.

Past and present players who have donations for the display, and anyone needing more information, should call Tom Craig at (213) 421-1001 or John Lott at (305) 772-3667. •

Super Sprint winner buys more

An operator who had been hesitant to spend his money on the video driving game *Super Sprint* has ended up buying some of the games after getting one for free as the winner of an Atari contest drawing.

After picking up his free *Super Sprint* from Atari distributor Southwest Vending Sales of Dallas, Jeff Carswell of C&C Electronic Games of Gatesville, Texas, placed it in a 7-11 convenience store. Carswell told Atari the game collected $341 the first week and averaged $400 a week for several weeks thereafter. As a result, he's bought more *Super Sprints* for his route.

Hundreds of operators in the U.S. and Canada entered the contest by writing the name of the game on their business cards and mailing the cards to Atari. The drawing was held April 30. •

50th State Coin-Op opens

Kane and Linda Fernandez, owners and operators of Fernandez Fun Factory, Inc., in Hawaii, have opened 50th State Coin-Op, a distributorship.

The company opened this spring carrying the lines of Atari, Capcom, Data East, Dynamo, Konami, Memetron, Merit, Nintendo, Premier Technology, Romstar, Status, Taito, Tecmo, and Tradewest.

Warren Asing, operations manager of Fernandez Fun Factory, is general manager of 50th State Coin-Op, and Bob Peters is sales representative.

"We wanted to test the waters in the Pacific region to determine if an island distributorship was viable in the marketplace," Asing said.

The Fernandezes opened their first Fernandez Fun Factory in 1977. They later developed E.K. Fernandez Shows, Inc., a carnival company, and currently operate 18 Fernandez Fun Factory locations in Hawaii. The distributorship's address is 91246 Oihana St., Ewa Beach, Hawaii 96706, (808) 682-5767. •

Brooke-Co appoints Petropoulos

Peter Petropoulos of International Sales and Marketing Co. of Atlanta has been appointed marketing consultant to Brook-Co Marketing, Inc., according to Andrew Ross, Jr., Brook-Co president.

Brook-Co is a New Canaan, Conn., company that has developed a new vending product called *Breath Shot*, which dispenses three-fourths of an ounce of non-alcholic mouth rinse in a sealed cup with a cellophane-wrapped floss pick. •

Harris opening PR firm

Sharon Harris, who for four years has managed public relations for Philadelphia operator Stan Harris & Company and the Pennsylvania Amusement and Music Machine Association (PAMMA), has formed a company specializing in newsletters, print advertising, promotions, and meeting

Jeff Carswell of C&C Electronic Games of Gatesville, Texas, leans on a wheel of the Super Sprint *he won in an operator contest drawing held by Atari.*

planning.

Representing Stan Harris and PAMMA, Harris has among her activities written speeches, testified at government hearings, written articles for national trade journals, produced a quarterly newsletter, conducted trade-show seminars, and organized and directed game promotions, including the Great Priazzo Shootout Pizza Hut promotion co-sponsored by Stan Harris and Nintendo.

Harris, who holds a bachelor's degree in English and a master's in public relations and communications, said she will continue working in the coin-op industry. "I'm not leaving the industry," she said, "only adding to my range of activities."

Harris is located at 2124 Bryn Mawr Place, Ardmore, PA 19003, and her telephone number is (215) 426-7500. •

Maitino receives CCMA award

Marty Maitino, Philip Morris U.S.A. director of region sales, received the California Coin Machine Association (CCMA) Giant of the Industry Award at the association's annual convention June 7.

Maitino joined Philip Morris in 1948 and since then has held several management positions in the company's western region. He has served on the board of directors of Illuminators, as president of the Food Sales Managers Club of Los Angeles, and as president of the Food Industries Circle of the City of Hope.

Also honored at the convention was Morris "Tiny" Weintraub, president and publisher of *Vending Times*. At a reception and dinner June 5, Weintraub was cited by the CCMA's political-action committee for his dedication to the tobacco and vending industry.

Guest speakers at the convention included National Football League referee Jim Tunney, who discussed positive thinking, and Charles Goldstein of the law firm of Goldstein and Kennedy, who talked about the importance of employer-employee communications in preventing law suits. •

NECO hosts summer open house

More than 200 operators attended the New England Coin Operators summer open house June 8 for a Sunday barbecue and viewing of the latest video, pinball, vending, and crane equipment.

Attendees came from Maine, New York, Connecticut, Vermont, New Hampshire, Rhode Island, and Massachusetts.

NECO is a subsidiary of Betson New England. Bert Betti, Robert Betti, and Joe Cirillo of Betson attended the open house. Rick Kirby, NECO general manager, recorded the heaviest crowd in the late afternoon when, he said, the office was "swamped" with operators. •

Rand offers phone services, appoints six

Rand of Phoenix has begun offering on-site service and installation for all its pay-telephone customers nationally. The company also has made six more appointments to its growing staff.

Rand is assuring its customers of on-site service within 48 hours of a request. According to the company, its service and installation supplier can answer service calls in and around more than 110 cities.

The company has named Sonja Barclift as human relations coordinator. Barclift previously was director of human relations at Dolphin, Inc.

Maureen Siebert has joined Rand as Arizona sales representative for the Tele-Rand pay telephone and Rand's coin-operated air, water, and vacuum units. She formerly was sales manager for Foremost Dairy of Phoenix.

Steve Rice, previously supervisor of final-assembly quality assurance, has been promoted to manufacturing support specialist.

Ed Botsch has been named quality assurance specialist after working in Rand's assembly test department.

Randy Anflick has been named lead in electronic assembly. He was formerly a field service engineer for Sensortech Systems, Inc., in Valencia, Calif.

Victor Hernandez has become receiving clerk following three years as receiving clerk for ITT Cannon. •

Hawkins addresses UAMA meeting

Addresses by Dick Hawkins, AMOA first vice president, and Mel Sadler of ASCAP highlighted the June 20-21 summer meeting of the Utah Amusement and Music Association (UAMA).

At the meeting at the Yarrow Hotel/Resort and Convention Center in Park City, Hawkins discussed the importance of state associations and the need for operators to work together. Sadler spoke on the copyright law and jukebox licensing. •

EUROPEAN NEWS

by David Snook

Great Britain

A conflict between Konami's European subsidiaries, Konami Ltd. of London and Konami GmbH of Frankfurt, West Germany, apparently has been resolved with some management reorganization and an agreement between the companies.

The source of the conflict was the sale in the U.K. of Konami games brought in from West Germany by parallel importers.

Electrocoin Automatics, a London-based Konami distributor, announced in April that it planned to undercut its own prices on *Jail Break* boards in a bid to force parallel importers out of the market. But one of the parallel importers, Free Enterprises, undercut Electrocoin's £295 ($450) price by offering the boards at £260, and another, Monarch Automatics of Birmingham, offered them for £250. The price war continued with *Iron Horse* boards advertised at £295.

Investigation revealed that Konami U.K. had sold its own allocation of 500 *Jail Break* boards at regular prices, but Konami GmbH in West Germany had considerably overstocked. It then sold its excess boards at low prices to several buyers in West Germany, who then sold them to British parallel importers.

"Kaz" Kozuki, Konami president, was on vacation in Europe at the time, and met in Frankfurt with Fumihiro Hishikawa, Konami's incoming chairman, for talks with the two European companies.

The outcome was a patching up of the "family quarrel" and some European reorganization. An intercompany agreement on bootlegging was

reached, and Hiro Maruo was given the title of European general manager. He will be located in Frankfurt at Konami GmbH. Konami U.K.'s Richard Dunn was named European vice general manager.

Meanwhile the company has introduced its new game, *Salamander*. It is being built under license in Wales as a dedicated game, the company's first in the U.K.

* * * * *

Coin industries, the parent company of Coin Controls and producer of coin mechanisms for many slot-machines and game manufacturers all over the world, has been bought out. The company, which has an American associate in Coin Controls, Inc., of Elk Grove, Ill., was sold in a shares deal valuing the company at £12.7 million ($19 million) to Burgess Products, an industrial group.

Spain

The Spanish coin-machine industry's association of manufacturers and distributors is in disarray following a walk-out by its largest company by far, Unidesa of Barcelona, the manufacturing arm of the giant Cirsa group.

A crisis has arisen within the ranks of FACOMARE by the withdrawal of Unidesa and the resignation of Cirsa representatives on FACOMARE's board of directors.

According to one of the leading Spanish trade magazines, *Maquina Recreativa*, Cirsa as a group has not abandoned the association, but is instead undergoing what its representative, Luis Miravilles, describes as "a partial retirement." While Unidesa, with its output of hundreds of slot machines each week for the booming Spanish pub market, is by far the most potent of the Cirsa companies, the group has remained as associate FACOMARE members, and its subsidiary, Unogas, is an associate operator member.

Maquina Recreativa commented: "Without doubt it cannot have escaped notice that the affiliation of these two companies with FACOMARE creates a misnomer in that their small number of employees do not reflect the true worth of the Cirsa group in the coin-machine industry.

"Now FACOMARE enters one of many crises suffered in its long history. The importance of Cirsa in the coin-machine industry is such that in practice its opinions on any matters affecting the industry is indispensible."

The magazine suggested that it has been public knowledge for months that Cirsa has an unhappy relationship with the trade association. Miravillesis was quoted as saying, "The efforts of the group, from the early 1960s, in men, services, and ideas and, why not say it, money, have been large, and perhaps the response from FACOMARE to Cirsa has not been adequate." The magazine used the Spanish expression "the drops that caused the glass to overflow," which translates into the English "the straw that broke the camel's back," to illustrate reasons for the crisis. It said that the increased amount that Cirsa was being called upon to pay FACOMARE for its membership—about 35 million pesetas—is a prime reason. Another is an alleged promise of a vice-presidency of the association. These two influences have been added to other situations that have caused some friction between the two.

The magazine suggested that the attitude of FACOMARE's board to Cirsa and the central structure of the association must be changed before the rift can be repaired. In the meantime, according to the magazine, two of the leading members of the association, Fernando Sempere and Eddie Morales, are attempting to act as peacemakers.

* * * * *

Booths will be allocated on a first-come, first-serve basis for the 1986 FER show in Barcelona, Spain, it has been agreed by the show's sponsors, FACOMARE, the Spanish trade association, and Interalia, the promoters. The show is set for November 12 to 14.

Booth space is expected to be completely sold out soon, but provisional plans have been made to expand the exhibition. The coin-op industry currently is extremely buoyant in Spain, and this is expected to be reflected in the turnout.

Italy

The Italian coin-machine exhibition, Enada, has been scheduled for October 9 - 12, 1986, according to the sponsoring Italian trade association, the Sezioni Apparecchi per Pubbliche Attrazioni Ricreative (SAPAR). It will be held in the Congress Building of the EUR in Rome.

* * * * *

The coin-machine section of the giant Milan Fair, the general industrial exhibition held recently, saw few new machines. It did emphasize, however, that Italian law falls far short of coping with the copying situation. One observer reported many copies of Konami's *Iron Horse* and *Jail Break* games.

Ireland

The trouble-torn Irish amusement-arcades industry continues to find itself under fire. A succession of local councils has rescinded the 1956 Gaming Act's section giving them powers to grant arcade licenses. This effectively means that any arcades within their municipal boundaries must close. The latest to take this action is the Buncrana Urban Council in Donegal. •

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Seeburg debuts *LaserMusic* system

Distributors from all over the country were at the Hamilton Hotel in Itaska, Ill., June 21 for the introduction of the Seeburg *LaserMusic* compact-disc phonograph, the first-of-its-kind jukebox previewed as a prototype at last October's AMOA show.

In presenting the phonograph, Jack Gordon, Seeburg's marketing and sales consultant and previous Seeburg president, recounted Seeburg's past jukebox innovations.

In 1948, Seeburg introduced the first 100-selection phonograph, and the pricing was one play for five cents or six for 25 cents. In 1950, Gordon told the audience, the company introduced the first phonograph designed for 45-rpm records; RCA was the only record company making 45s at the time. "That was when the battle of the speeds began," said Gordon. "It was my job as president of Seeburg at that time to convince the other record companies that 45s were the way of the future. Within two years Seeburg had won the battle of the speeds, and 78 and 33 1/3 [singles] were discontinued."

Seeburg premiered its 200- and 222-selection jukeboxes with high-fidelity stereo sound in 1956, and pricing was upped to 10 cents a play or three for 25 cents. Quadrophonic sound and pricing of 25 cents a play were Seeburg's introductions in 1962.

Now, in 1986, Seeburg has introduced the industry's first compact laser-disc phonograph with play set at three tunes for $1 or 18 for $5. Another first is that the machine accepts no coins, only bills. "This feature will make it much easier to count collections," said Seeburg's Bob Breither. "This is a pricing breakthrough."

Joe Pankus, Seeburg executive vice president, said that the bill-only concept results in 32 percent more money in the cash box even if play stays the same. But he was quick to add that play will increase considerably. According to Seeburg, one test site recorded collections of $290 a week on the *LaserMusic* system, up from $80 on the standard phonograph it replaced. Pankus said there was no resistance to the pricing, and the location took in between five and eight $5 bills weekly.

With thousands of album titles already available, compact discs are rapidly gaining consumer acceptance. Although more expensive than conventional records, compact discs offer superior sound and retain their original sound quality through years of play. According to *Billboard*, sales of compact discs rose from 5.8 million in 1984 to 22.6 million in 1985. Sales in 1986 could reach 100 million. "I guarantee that CDs will make 45s obsolete," Gordon said.

Another first of the Seeburg *LaserMusic* system is its method of album selection and play. All selections are made from album mini-covers moved by a slide button underneath, similar to the old counter selectors. The phonograph holds 60 CDs, each of which contains an entire album, an average of 10 songs. With the phonograph's capacity of 60 CDs, 600 or more selections will be available.

The concept of album play is practical today, according to Seeburg, because music videos have made people much more artist-conscious rather than song-conscious. "The record companies are promoting artists, not just songs," Pankus said.

Besides the 600 selections, the concept of albums instead of singles, no coin acceptance, and superior sound, Pankus noted other advantages to Seeburg's compact-disc jukebox: flexibility in the kinds of music that can be offered, no titlestrips, removable title holders that can be pre-set, and easier promotions. An example of the flexibility possible with the phonograph came from a distributor who was at the introduction. A location owner who had heard about the *LaserMusic*

Seeburg executives Joseph Pankus, Nick Hindman, Bob Breither, Ed Blankenbeckler, and George Hook were at the Hamilton Hotel in Itaska, Ill., June 21 to introduce the company's LaserMusic *compact-disc phonograph.*

system had called to ask about it because his customers enjoy classical music and opera, of which 45s offer little and compact discs a lot.

Pankus called compact discs a trend, not a fad. "A fad," he said, "starts at the top and then goes down. A trend starts at the bottom and makes its way to the top. That's what this is, a trend."

Chairman Ed Blankenbeckler cautioned distributors that the new phonograph is not for every location. "Of the 300,000 jukeboxes being operated today, only 54,000 of those are in top locations; these [locations] are the ones that CD is designed for."

Blankenbeckler added that of the total dollar volume of vinyl records, 45s account for only five percent, and of that five percent, 80 percent are sold to operators. He emphasized that people buy by artist and that operators have had to wait weeks for singles to be made off of albums. "It took two years to release seven singles off of Michael Jackson's Thriller album, and even then not all were made in 45s. That's why CDs should be popular with operators," he said.

As may be expected with the introduction of a new kind of jukebox, some distributors have concerns about it.

"One concern I have is that half the world won't be able to see the title strips," one distributor said after looking at the album select strips. Pankus said Seeburg is working with the major record manufacturers to have the title print made larger. "We've told these record companies that we are previewing their product, and they have agreed. Seeburg also has a clear plastic overlay on which an operator can type the album songs and place it on the existing album cover. *Digital Audio* magazine did a survey which showed that rarely would a customer buy a CD before listening to it, so we will be even more important to these companies."

Another distributor expressed a different concern. "It wasn't really a surprise, but when the realization hit me that I would have over $700 worth of inventory on one machine, it was overwhelming," he said. Seeburg suggests that operators arrange for a 50-50 split with locations on both collections and the cost of the CDs.

Another distributor said, "I'm not really convinced that locations are going to care that much about the quality sound. If they have to put out more money to buy the CDs, I don't think they'll do it. "Other disagree, saying that with radio stations now

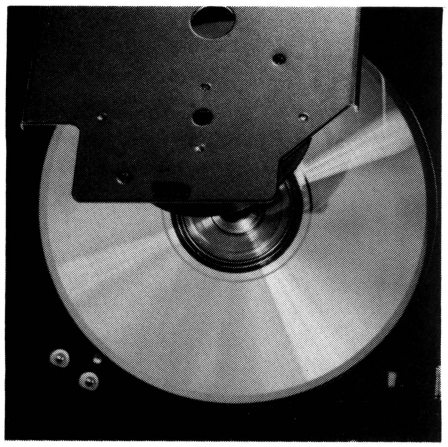
To make selections on Seeburg's new jukebox, listeners slide and push a knob to flip album mini-covers that list artists and titles. Entire album discs or individual songs may be selected.

The LaserMusic *jukebox opens to reveal a modular component system, including a Sony laser and changer system housed in a dust-proof enclosure.*

playing CDs, locations will become more discriminating.

One distributor questioned the feasibility of album play. "I realize that music videos have made people more aware of artists, but those are people between 12 and 20. No one in a bar where these machines will be is under 21, which is the drinking age in most states," he said. "I know if I am looking for a song, but I don't know who sings it, I'm not looking through 600 selections to find it."

Pankus was quick to reply that most listeners are artist-conscioius. "All the record company promotions are pushing the big names," he said. "I really believe that more people, including older ones, will be able to find what they are looking for without much trouble."



A disc spinning in the LaserMusic *phonograph is read by a three-beam laser that translates digital light signals into analog signals that produce music. According to Seeburg, the life cycle of the laser diode is 250,000 plays.*

Harvey Campbell of Mobile Record Service, an expert on the record industry and the only one-stop record store exhibiting at almost all the state shows, said, "Seeburg is handing operators the future on a silver platter. CDs will definitely be the way of the future. Everyone today is much more artist-aware than in the past."

Another frequent question from anyone who had experience with laser players in video games was, "Is this the same thing?"

"Most definitely not," said Pankus. "This player is enclosed in a completely dust-free, foreign-object-free enclosure. It is the same concept as the ones Sony sells to consumers who go jogging with one strapped on their belt. There is no tilt sign on this model. In fact, it is guaranteed for a quarter of a million plays, which is over five years." •

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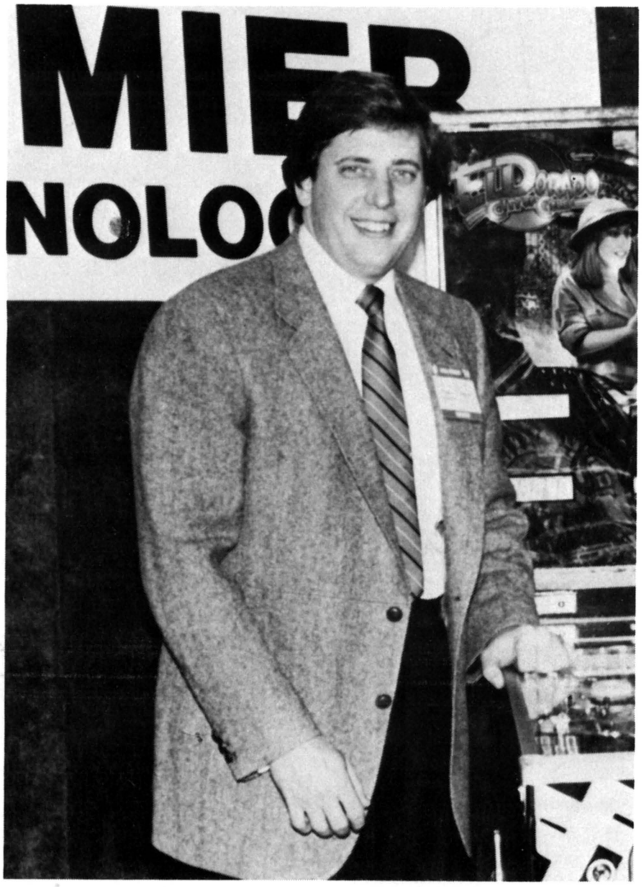

Gil Pollack

by Valerie Cognevich

A few years ago, after Coca-Cola took control of the 50-year old D. Gottlieb & Co., long noted for its classic pinball machines, the industry watched as the historic Gottlieb name was dropped and replaced with the more modern Mylstar. It wasn't long before Coca-Cola closed Mylstar, and the industry thought it saw the door close on an old tradition.

But right before the 1984 AMOA show, Gil Pollack, Mylstar's vice president of sales, announced that the standards set by David Gottlieb would live on in a new company called Premier Technology. Premier had acquired the Gottlieb pinball line from Coca-Cola and was determined to carry on the original company's tradition. Now, more than a year and a half and several successful pinball games later, it seems the company has accomplished what it set out to do.

Pollack, Premier's general manger, began his coin-op career 14 years ago with Gottlieb, when the company still was family-owned.

What were Premier's goals when it was formed?

"When Premier was formed and it acquired the Gottlieb product line, we established several goals. We wanted to be the leading manufacturer of pinball machines, and in doing that we have to be the leader in innovation. In our brief history we have introduced a different type of graphics [the photographic backglass] which had never been done before. We have demonstrated new innovations through the use of eight-digit scoring, alpha-numeric displays, contemporary rock music, and playfield and backglass animation.

"We have re-established some of the standards set by David Gottlieb—excellent quality, reliability, and excellent long-term earnings. We have done more than any manufacturer to date of supporting our distribution network working towards pure exclusivity, which helps operators and distributors alike."

Why was the company not called Gottlieb?

"When we acquired the assets for the Gottlieb pinball machine, we knew we would be doing other things in areas outside the coin-op industry, so we felt the name Premier Technology reflected those goals. Our main product line, however, is the Gottlieb pinball machine. It is not a Premier pinball machine, it is a Gottlieb pinball being manufactured by Premier."

What percent of the pinball market has Premier obtained?

"A year and a half ago we were number four with zero percent of the market. Now we have jumped to the

The kids who are now teenagers and young adults who were brought up dropping quarters in a video game are now looking for something else. They are looking at pinball machines as a new form of recreation.

number two position. This is a difficult question to answer because at any given time you can be the number one manufacturer with a particular product. However, on a full annualized basis, Williams still holds the number-one market share. It is a good competitor, and the competition between us will only strengthen the product of both companies. This strong competition helps the operator because of good product. By the end of 1986, it is our opinion that we will have approximately 40 percent of the world pinball market."

What role do you see pinball playing in today's game market?

"During the video boom it was quite obvious that the pinball game was shoved aside. It has re-emerged as one of the staples of the industry. The earning relationship between pinball and other products has increased considerably, and we are picking up players we didn't have three years ago. Therefore, it will continue to grow and become a more profitable product line. The kids who are now teenagers and young adults who were brought up dropping quarters in a video game are now looking for something else. They are looking at pinball machines as a new form of recreation. We know that pinball is not new, but it is new to today's players."

How do you determine what is hot and what is not?

"We spend a lot of time and effort in our market research evaluating what society is currently excited about, whether it be movies, television, or music. Since we are in the entertainment industry, we have to be in tune with what is hot. I think the theme, artwork, and sounds of a pinball machine should reflect current trends. If you look back over the years, pinball products were in tune with society, just as we are today."

Premier has made some dramatic changes in designs. What are some of those, and how have they been accepted?

"It was started based on input from operators and distributors. This will be continued by use of current themes, exciting graphics, and sounds. We continue to make improvements which will be seen on upcoming models. A year and a half ago not only did you see very few pinballs in locations, but you saw even fewer Gottlieb pinball machines. Now, you will see *Raven*, *Rock*, and *Hollywood Heat*, all of which show the effectiveness of our change in the direction of design."

Describe the Euroepan market.

"The German market is in fantastic shape. The decrease in the value of the dollar has naturally helped our company as well as our competition for exporting purposes. It is probably split between Gottlieb and Williams pins. With the new direction, our market share in Europe has jumped. France is now in a position where it is beginning to become stronger."

What is the secret to building a successful game today?

"You have to have a great package—graphics, exciting sounds, and a challenging playfield. This is the same as the movie industry, where you must have a great script, great actors, and a great director. This may be easier said than done. You may put all the ingredients together, and the marketplace won't accept it. Or it may be extremely successful. You never really know until you introduce it. That is why a lot of testing is vital before going into the manufacturing of a product. We test in several stages. First we do a preliminary test in our selected locations. Secondly, we do testing through our distributors and operators, so we have a full market evaluation."

Following the successes you've had, and the current success of* Hollywood Heat, *what do you have coming next?

"The successes prove we're on the right track. We have exciting new features and games being developed. And we also have some novelty product we will introduce soon. We will continue challenging our designers for something new, different, and unique. That is what makes our industry interesting." •

Flanking Jeff Walker, Premier's national sales manager, are two of the creative talents behind the company's recent pins: Don Marshall (left), backglass and advertising photographer, and Ken Hale, music and sound-effects writer.

How to separate the phones from the phoneys.

Things you should know before entering the profitable payphone business.

You've probably heard mixed reviews about the payphone business. On the one hand, that it can be extremely profitable. And on the other, that most of the phones being sold today aren't worth the quarters they're made to collect.

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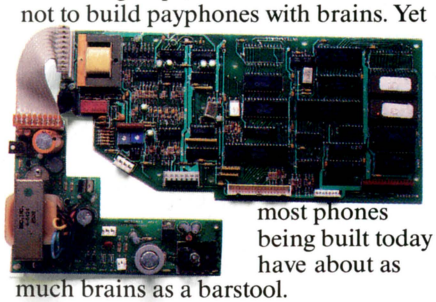
So read over a few of the details that separate the real phones from the phoneys. We feel confident that once you've looked at the hard facts, it won't be hard for you to make the intelligent choice — Intellicall.

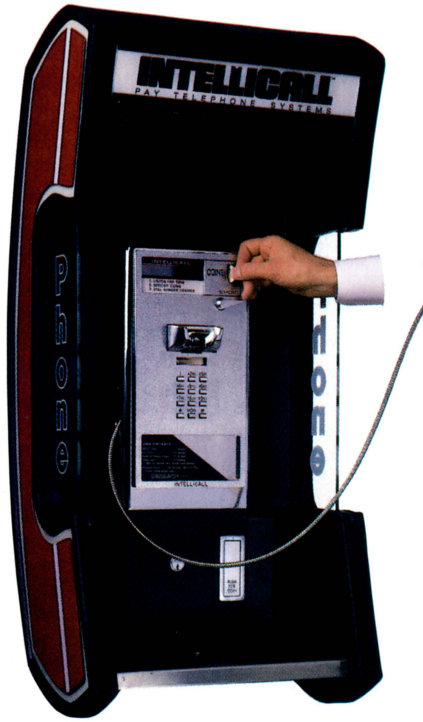
A payphone should have brains.

With a wealth of computer technology at our fingertips, it's a little backwards not to build payphones with brains. Yet



most phones being built today have about as much brains as a barstool.

Not so Intellicall phones. Using a personal computer and Intellinet™, you can actually call our payphones to remotely check on both service diagnostics and revenue. So without leaving your desk, you can find out if there are any problems with any of your phones, and check your profits.



That's just the beginning. Our phones can store multiple local and long distance rates (including day, evening, weekend, holiday, etc.) and can be custom programmed for state and local regulatory variations. They permit timed and flat rate calls. And maintain a list of customer-defined invalid Area and Exchange codes.

An easy-to-read LCD display shows amount deposited, number dialed, cost of a call, and time remaining. Gives dialing instructions. Even displays custom advertising messages. And if the phone should break, an "Out of Order" message automatically appears.

Best of all, we've got answer detection down to a science. So our phones know when to keep the customer's money and when to refund it — something far from perfected in other phones.
And if that's not enough, Intellicall phones even talk — giving instructions in a clear voice to make the customer's call as simple as possible.

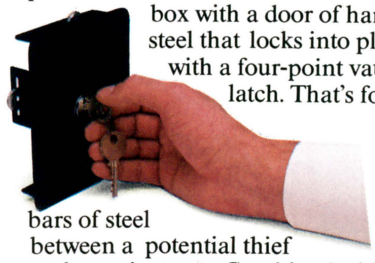
A payphone should have brawn.

Unfortunately, payphones are pretty helpless. Many are openly exposed to weather. And most are sitting ducks for thieves.

Which is why we make our phones so secure, they give Fort Knox a run for its money. We spent over $2 million to make them that way.

We start with 12-gauge high-impact cold rolled steel. And powder-coat it to fight off years of rain, salt, snow or whatever your environment can throw at it.

Then we use hardened steel to prevent drilling and forced entry. Put on a shatter resistant LCD display cover. Add high-security Medeco locks. And the pièce de resistance — a removable coin box with a door of hardened steel that locks into place with a four-point vault latch. That's four



bars of steel between a potential thief and your income. Combined with anti-pry ears of 10- gauge steel and a silent break-in alarm, they make the Intellicall phone a virtual fortress. In fact, our phones were rated the most secure on the market in break-in tests.

And a payphone shouldn't break.

Not often, that is. Because down-time means lost income and maintenance costs. But unfortunately, there are a lot of people out there trying to sell you a lot of junk.

If you want the full story on a payphone good enough to build a profitable empire on, please give us a call at (214) 392-0005. We'd like to separate the phones from the phoneys. And help you make a fortune.

12790 Merit Drive, Suite 624
Dallas, Texas 75251
(214) 392-0005

INTELLICALL™
PAY TELEPHONE SYSTEMS

PLAY METER

1986 SPRING BUYERS GUIDE

PAY PHONES

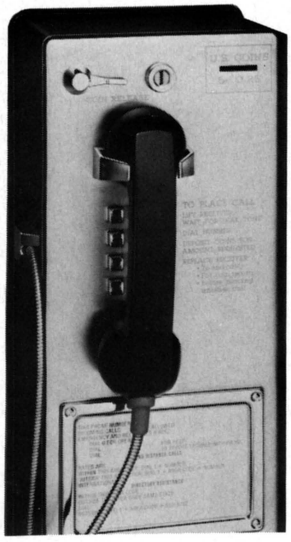
PHOTOGRAPHS NOT AVAILABLE

Cointel
Easycall

Cointel
ST-17A

Public Pay Phone
Trimline

Tiffany Telecom
Table Talk Plus



Advanced Telesystems
Marcom ST

Advanced Telesystems
Marcom XL

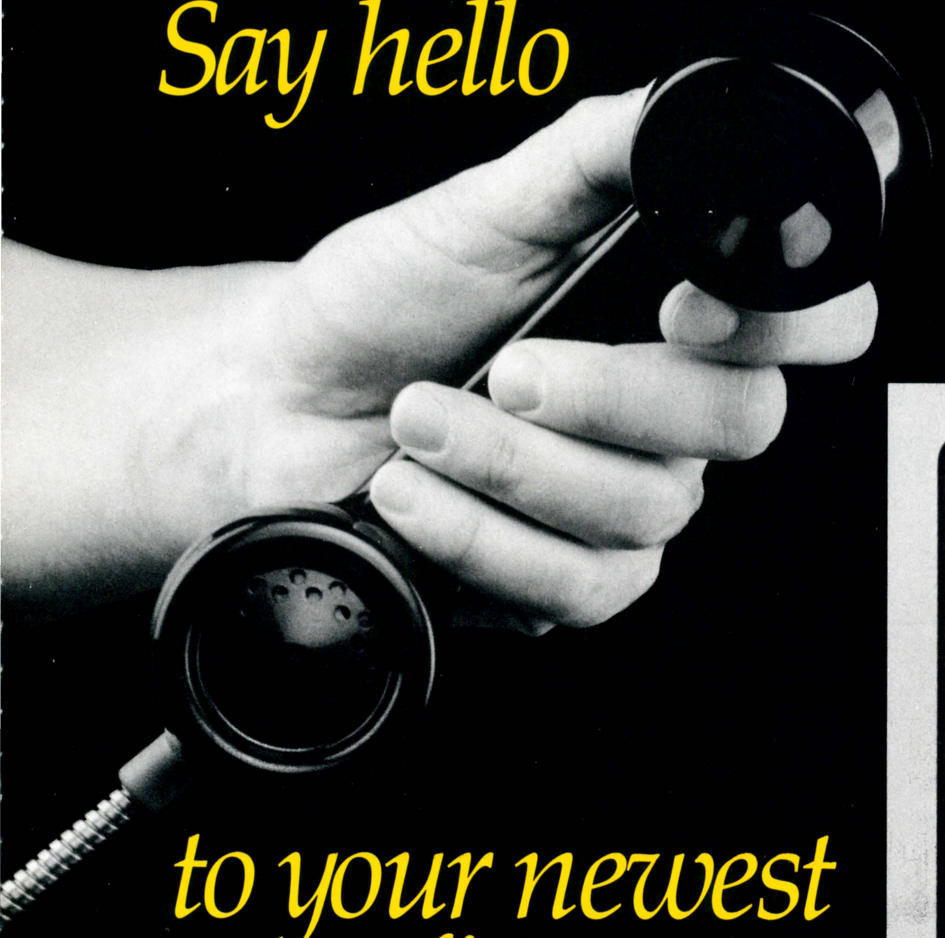
American Pay Phone Systems
American 101

Capital Tel Systems
Cashpone

Chicago Pay Phone Service
Diners Phone System

Coin Call
PS100 A

Say hello



to your newest profit center!

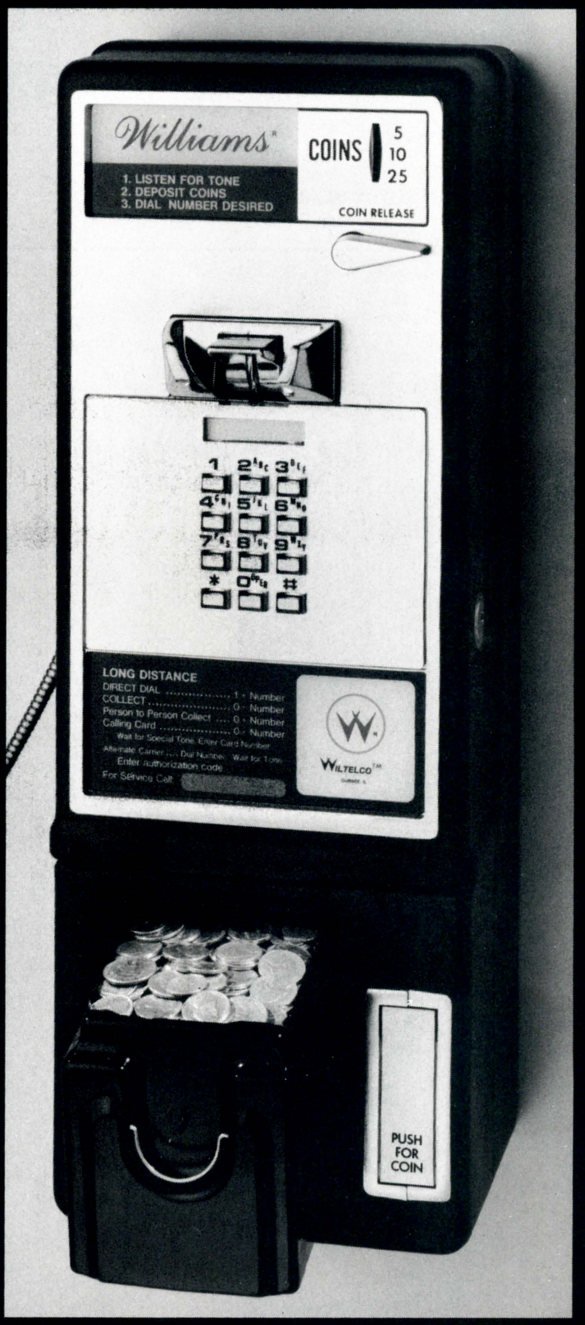
To additional revenue that's right there at your fingertips.
To a source of income that requires no supervision, no inventory.
To the Williams Intelligent Pay Phone

5000®

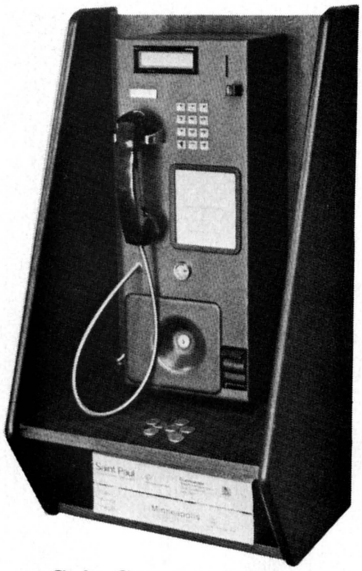
The 5000 is the most advanced, dependable and intelligent entry into the newly deregulated private pay phone industry. With a host of superior features that includes patented answer supervision, optional vacuum fluorescent display, built-in audit totalizer, accounting and self-diagnostics and even a bilingual option, the 5000 is the definitive state-of-the-art profit-maker in today's booming telecommunications marketplace!

The 5000 is the brainchild of Williams Telephone Company, Inc. and is powered by the integrity and support of Wiltelco's parent company, NYSE-listed Williams Electronics, Inc., with its worldwide tradition of excellence and almost half a century of experience and leadership in the coin-operated equipment industry.

Give us a call.
We'll show you how it pays to get the right number:
the Wiltelco 5000!

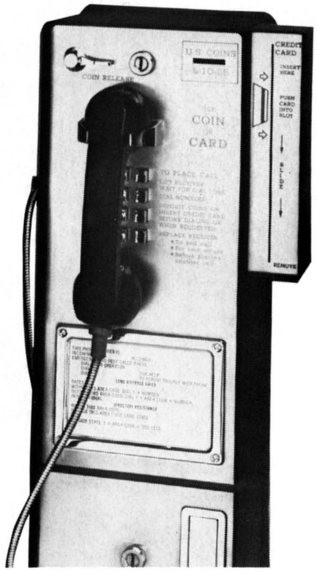


Williams®
TELEPHONE COMPANY, INC.™
1910 Swanson Court, Gurnee, IL 60031
(312) 662-7001
a subsidiary of Williams Electronics, Inc.

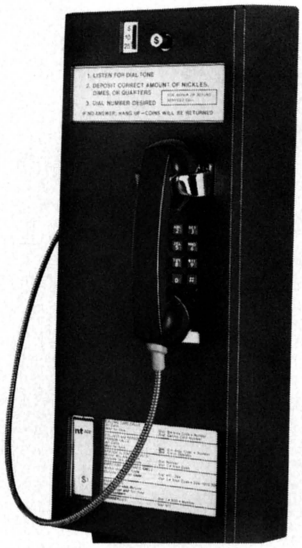


Coin Communication
LD 3000

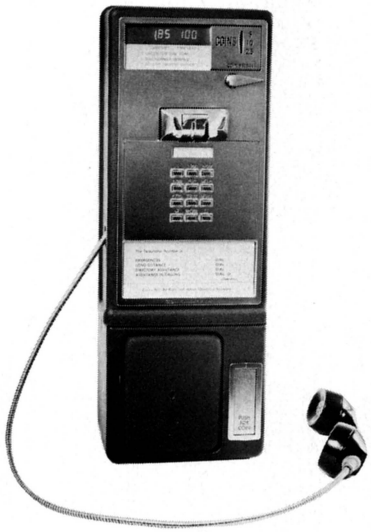
Cointel
Pay Phone



Cointel
Super Call

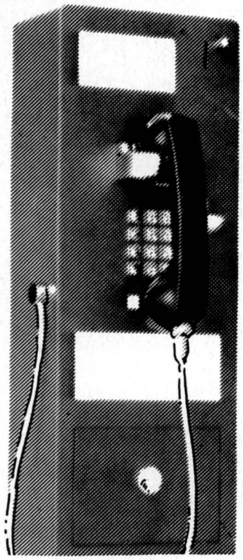


DLL Com Con
Generation II



Elcotel
Model 1200

Empire Liberty
703 Liberty Phone



Gladwin
Carefree Phone

Gladwin
Powerline G05400

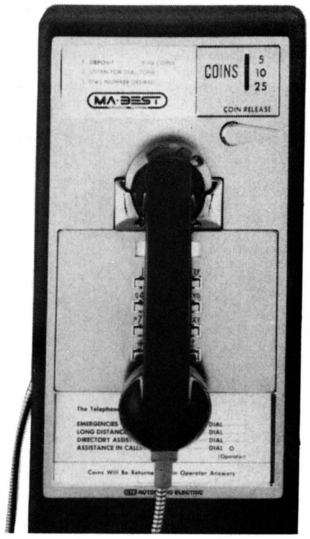
Intellicall
Model 2001

Intellicall
Omniphone 2010

International Communications
Privette

International Communications
Smartphone II

Kerr Communications
The Kat



Ma Best Telephone Products
MB 105

Matrix Marketing
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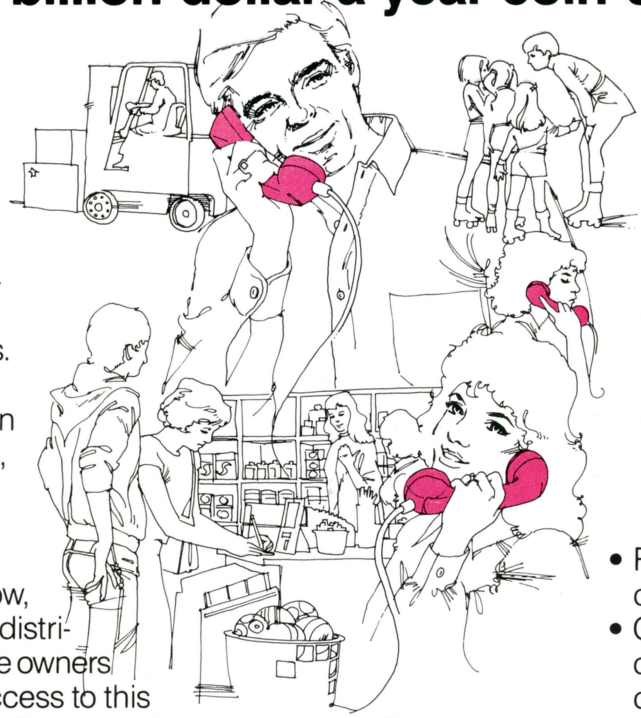
Network Paystations
The Vanguard

Payphone, Inc.
Electrica ITT

Pay Phones, Inc.
Phone

DIALING FOR DOLLARS

Payphone, Inc. gives you the right connection to America's billion-dollar-a-year coin-call market.



Americans spend over a billion dollars-a-year on local calls from pay telephones. They call from every location imaginable. In restaurants, lounges, convenience stores, even work areas, **up to 95% of all calls made are local.** Now, as a Payphone, Inc. distributor, you can give the owners of these locations access to this billion dollar **local-call** market. And at a reasonable cost.

Designed and manufactured for Payphone, Inc. by Standard Electrica ITT,® one of the world's leading producers of telephones, our pay-phone has a suggested retail price of only $845. Compared to phones with direct-dial long distance capability, and costing up to $2,000, the payout on dollars invested by your customers is much quicker.

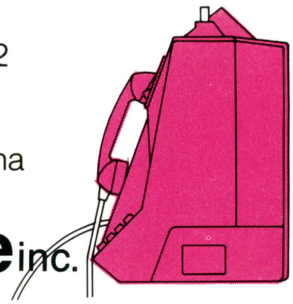
Feature for feature, there is no better buy, or sell, available in the payphone market.

- The circuits, transmitter and receiver provide highest quality audio transmission and reception.
- Meets or exceeds all FCC specifications.
- Carries a full one year warranty on all electrical parts and labor.
- Pre-Pay — Assures that money is on deposit when the call is made.
- Allows access to all long distance carriers.
- Can be configured to meet various state regulations for no-coin dialing.
- Reliable push-to-talk circuit completion.
- Cost of call may be changed at owner's discretion.
- Plugs into normal telephone outlet, which with special adapter, becomes tamper-proof.
- Armored handset cord.
- Designed to be either touch-tone or rotary.

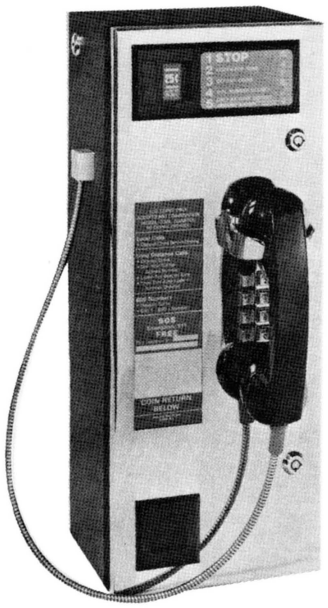
For complete information (including distributor prices) on how to add **Payphone, Inc.** to your current distribution lines, or how you can become an exclusive **Payphone, Inc.** distributor, write or call:

Payphone, Inc.
2749 Lewisville-Clemmons Road
P.O. Box 1233
Clemmons, NC 27012
In North Carolina
1-919-766-6100
Outside North Carolina
1-800-255-5574

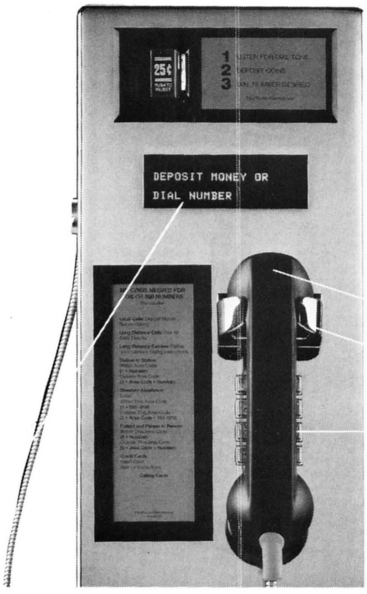
payphone inc.



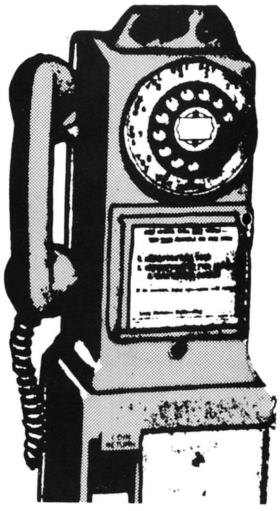
© 1986 PayPhone, Inc.



Payphone International
Model 8400E



Payphone International
Model 8400ET



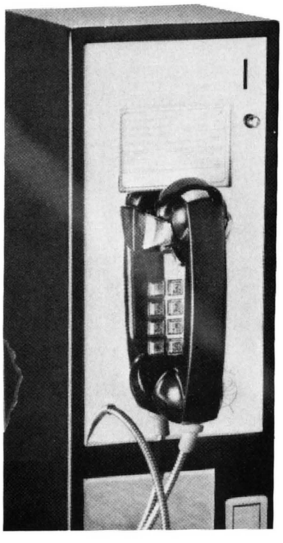
Phoneco
Pay Phone

Phone Master
Western Electric Smart Phone

Public Pay Phone
Economy Phone

Public Pay Phone
Indoor/Outdoor Phone

Rand of Phoenix
RSV-1000



Rand of Phoenix
Tele-Rand System II

T.A. Phones
101 C

T.A. Phones
Dine-A-Phone 101 TT

T.A. Phones
203 E

T.A. Phones
203 F

T.A. Phones
Talking Courtesy Phone

Telco
Telco E120B

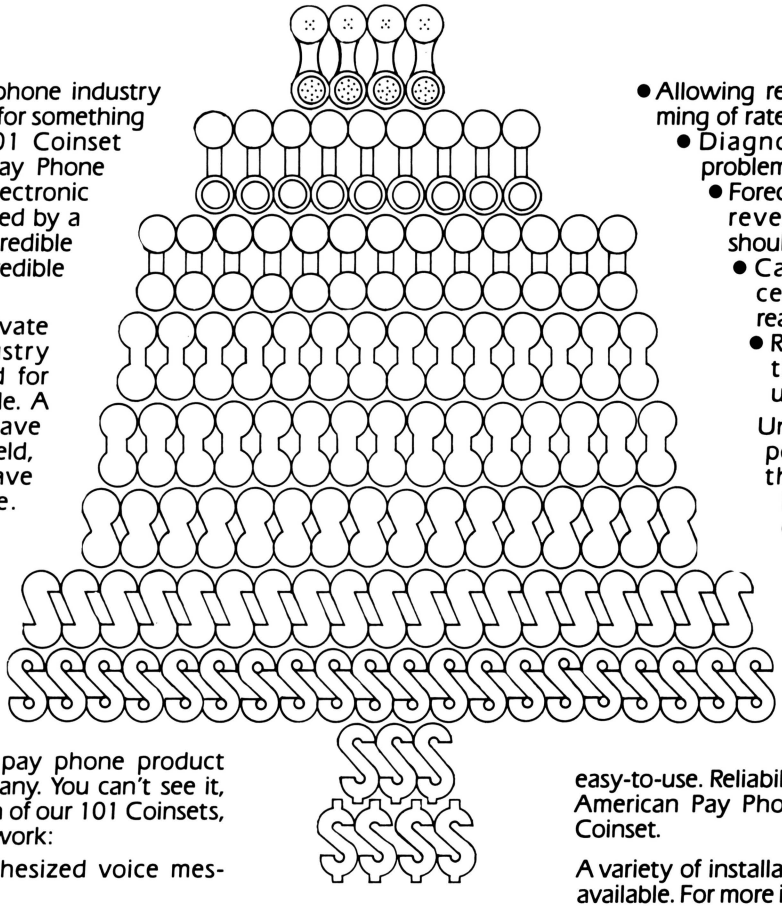
Tele-Creations
Model 2410

Tele Dynamics
Table Com

Tiffany Telcom
HT 4000

Tiffany Telcom
HT 7000

Profits with a Ring.



The private pay phone industry has been waiting for something like this. The 101 Coinset from American Pay Phone Systems. With electronic "smarts" developed by a Bell company. A credible product from a credible company.

You see, the private pay phone industry has been around for only a short while. A lot of players have rushed into the field, and retailers have paid the price. Product breakdowns, design flaws.

Northwestern Bell Technologies* has solved these problems with the NBT 1062,™ the first private pay phone product from a Bell company. You can't see it, but it's inside each of our 101 Coinsets, quietly doing its work:

- Providing synthesized voice messages on rates.
- Recording all coin drops and cash removals.
- Allowing remote reprogramming of rates.
- Diagnosing potential problems.
- Forecasting how much revenue the phone should collect.
- Calling a control center if receipts reach a certain level.
- Receiving its optional database update.

Unlike some competitive products, the 101 Coinset looks absolutely ordinary, with no operating quirks. Your customers are pleasantly fooled into thinking that it's a standard pay phone: familiar and easy-to-use. Reliability and profit: The American Pay Phone Systems' 101 Coinset.

A variety of installation programs are available. For more information, call or write today:

International PayPhones, Inc.

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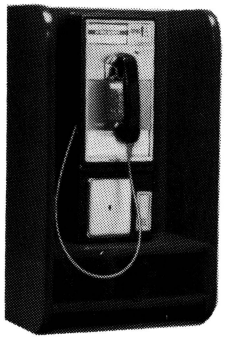
Designed by Northwestern Bell* Technologies A division of Northwestern Bell Information Technologies, Inc.

THE ULTIMATE IN PAYPHONE ENCLOSURES OFFERS YOU . . .

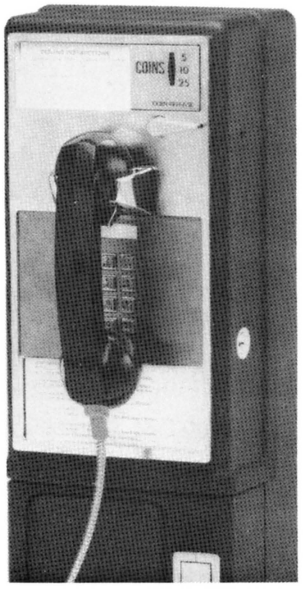


FROM ONLY $39.75

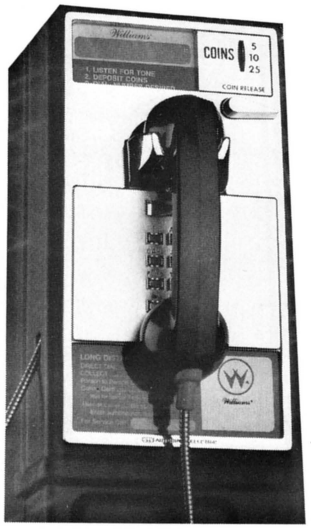
- *Your Choice of an Oak or Walnut Woodgrain*
- *The Option of a 16 or 24 Inch Width*
- *A Phone Book Shelf on Every Unit*
- *No More T-Molding for Edge Protection*
- *Pre-Drilled Mounting Holes that are Compatible with All Payphones, and Even the Hardware Needed to Mount Your Phone to the Enclosure*
- *A Price and Quality No One Can Beat*

CONTROL INDUSTRIES, 841 N.W. BOND, BEND, OREGON 97701, (503) 389-1969

CHILDREN'S GAMES



U.S. Telecommunications
Model 1200

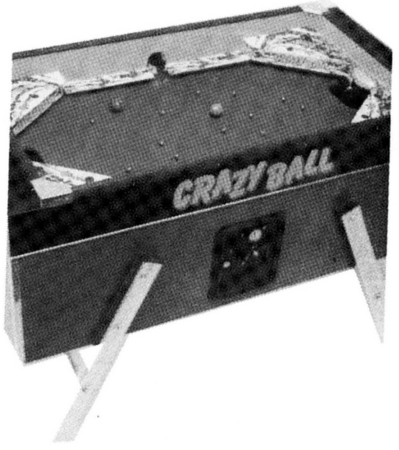


Williams Telephone
Wiltelco 5000

Bob's Space Racers
Bully Buster

Bob's Space Racers
Pattie Cakes

XCP
Venda Phone

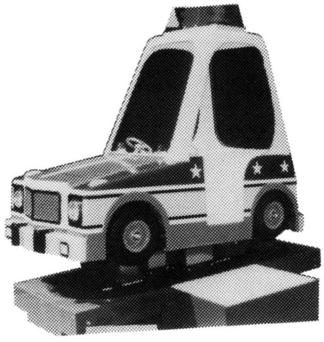


Kiddie Rides USA
Crazy Ball

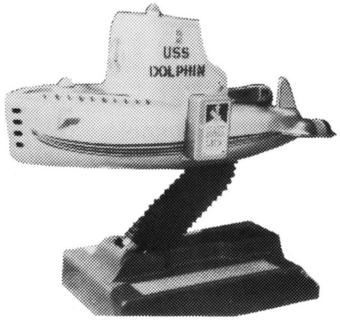
Kiddie Rides USA
Little Kid's Sit-Down Video

KIDDIE RIDES

Amusement Technology
Astro Blaster



Amusement Technology
Patrol Car



Amusement Technology
Submarine

Autorovo
Bello

Autorovo
Chopper II

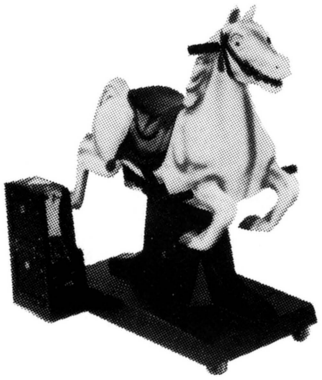
Autorovo
Crocodile

Autorovo
Donkey

Autorovo
Flying Eagle

Autorovo
Jetpack

Autorovo
Kangaroo



Autorovo
Horse

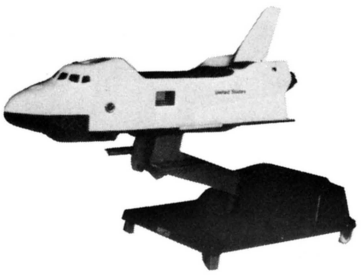
Autorovo
Nessie the Dragon

Autorovo
Old Timer Renault

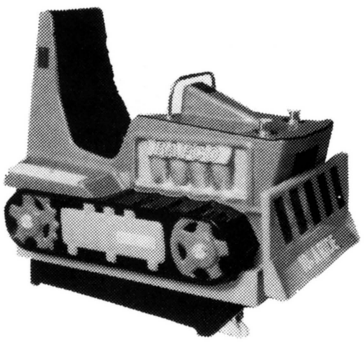
Autorovo
Race Car

Autorovo
Starfighter

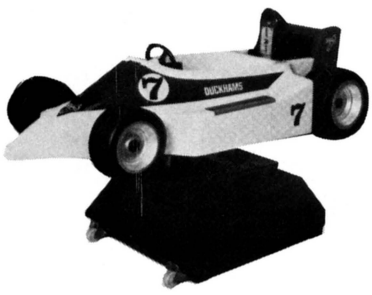
Autorovo
Thunderbolt



Baico
Columbia Space Shuttle



Baico
Dozer



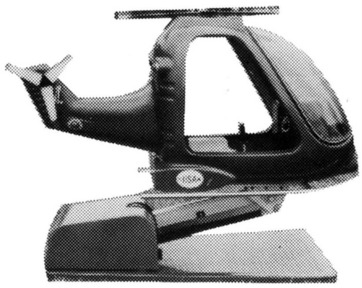
Baico
Grand Prix

Baico
Le Mans Car

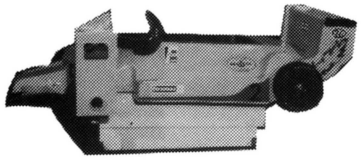
Baico
Skyrider

Bafco
Speedboat

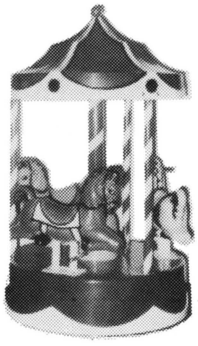
Bafco
Tractor



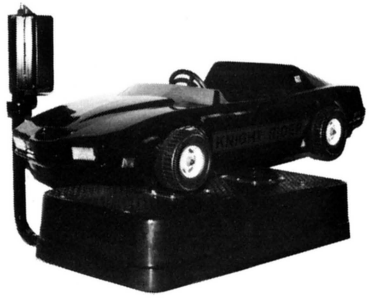
Carousel
Helicopter



Carousel
Indy Race Car



Carousel
Jr. Carousel



Carousel
Knight Rider

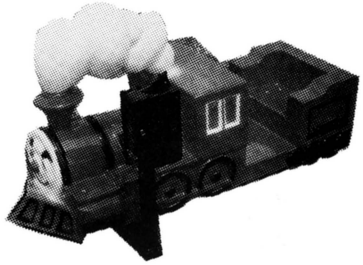
Carousel
Mustang Pony

Carousel
Thunder Horse

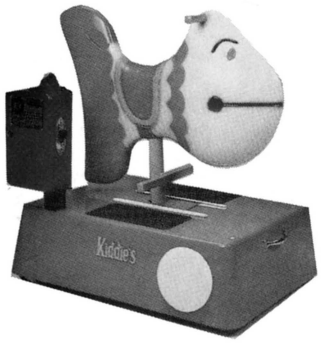
Carousel
Yamaha 2-wheel

Kiddies of Florida
Carousel

Kiddies of Florida
Columbia



Kiddies of Florida
Fun Train

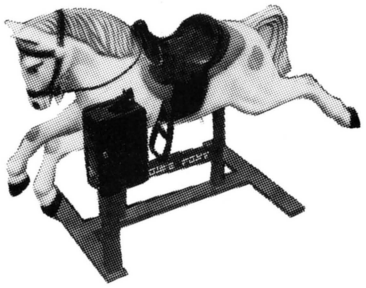


Kiddies of Florida
Happy Fish

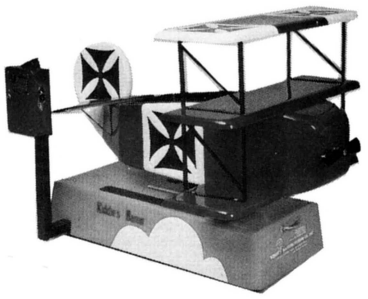
Kiddies of Florida
Happy Frog

Kiddies of Florida
Motorcycle

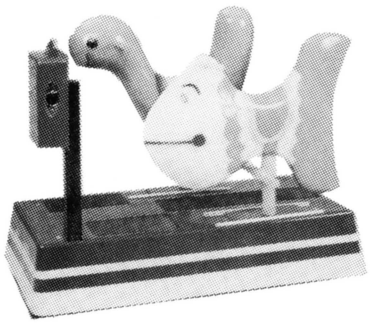
Kiddies of Florida
Pedal Carousel



Kiddies of Florida
Pony



Kiddies of Florida
Red Baron

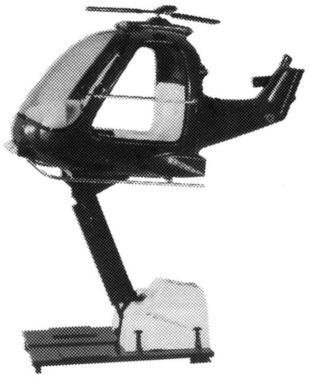


Kiddies of Florida
Twin Derby

Kiddie Rides USA
Battlestar Galacticar

Kiddie Rides USA
Cobra Army Tank

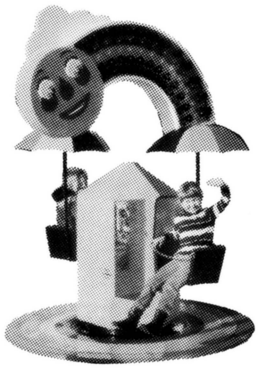
Kiddie Rides USA
Draakon Marauder



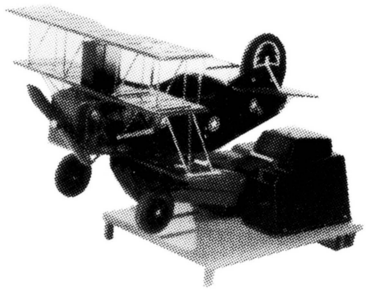
Kiddie Rides USA
Helicopter

Kiddie Rides USA
Hot Air Balloon

Kiddie Rides USA
Police Helicopter



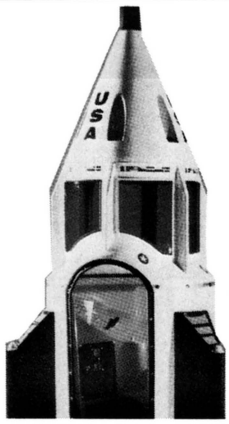
Kiddie Rides USA
Rainbow Roundabout



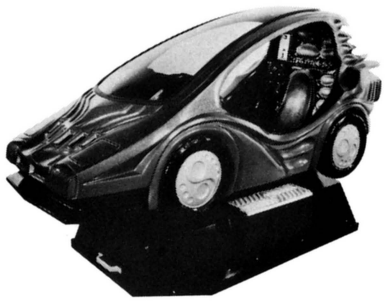
Kiddie Rides USA
Red Baron

Kiddie Rides USA
Santa Fe

Kiddie Rides USA
Scout Ball



Kiddie Rides USA
Space Shuttle



Kiddie Rides USA
Super Car

Miracle Recreation
Carousel

Mini Speedways USA
Honda ATC-70 3-wheeler

Mini Speedways USA
Hydraulic Explorer

Mini Speedways USA
Pennzoil Video Car

Mini Speedways USA
Space Shuttle

Mini Speedways USA
Speedway Bike

Mini Speedways USA
Yamaha CY Zinger

Mini Speedways USA
Yamaha MX 80 Big Bike

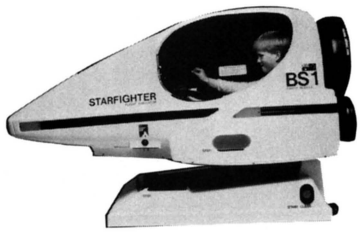
R.G. Mitchell
Animal Roundabout

R.G. Mitchell
Sky Rider MK II

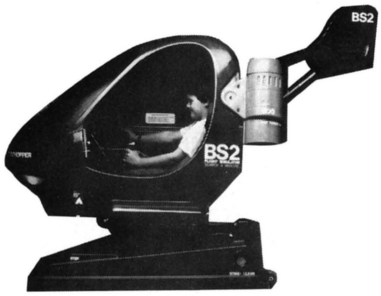
R.G. Mitchell
Space Walker

R.G. Mitchell
Turbo 5000

Ride Dynamics
Skyhawk Raider

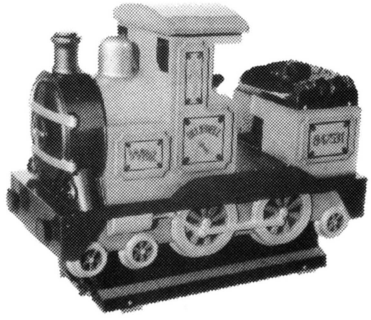


Ride Dynamics
Starfighter

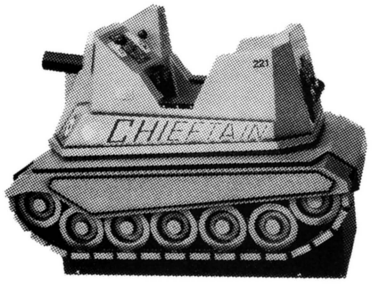


Ride Dynamics
Turbochopper

UAI New Jersey
Big Top

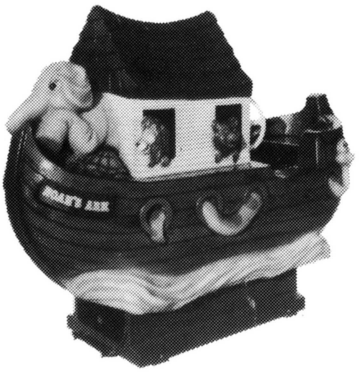


UAI New Jersey
Bluebell

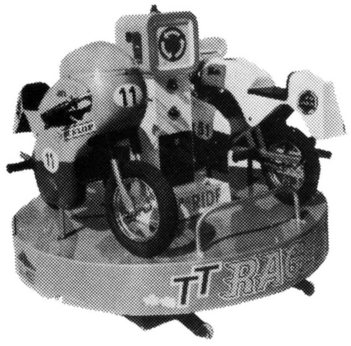


UAI New Jersey
Chieftain

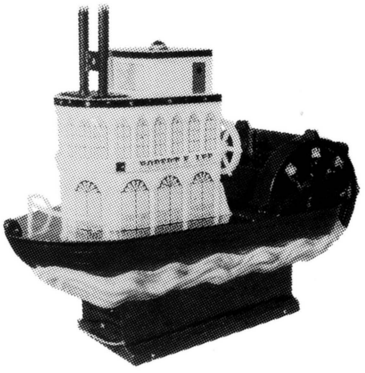
UAI New Jersey
Fire Engine



UAI New Jersey
Noah's Ark

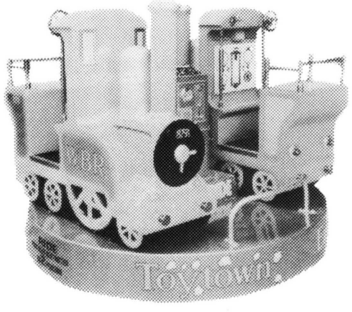


UAI New Jersey
Racer Carousel



UAI New Jersey
Robert E. Lee Steamboat

UAI New Jersey
Silver Ghost



UAI New Jersey
Toytown

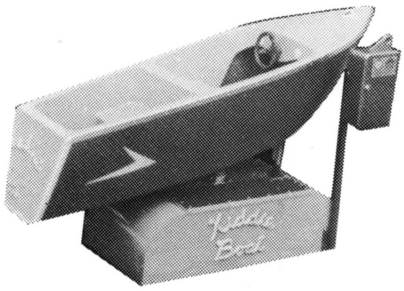
Utec
Dirt Hog

Utec
Duck

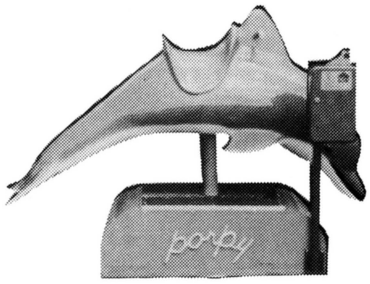
Utec
Elephant

Utec
Fuzzy

Utec
Giraffe

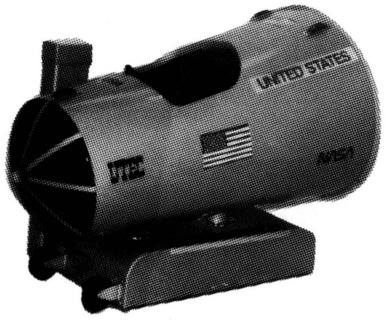


Utec
Kiddie Boat

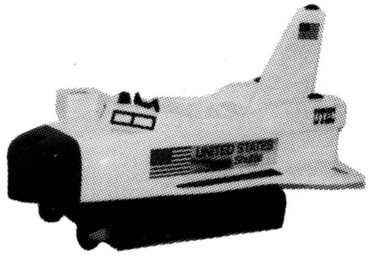


Utec
Porpy the Porpoise

Utec
Rudy the Deer

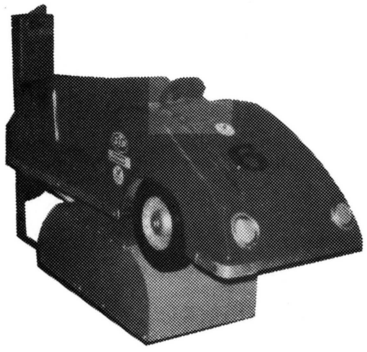


Utec
Space Capsule



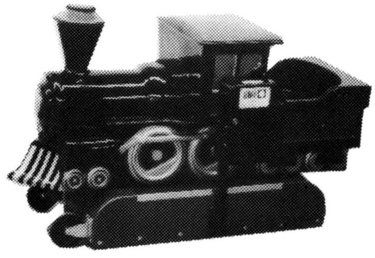
Utec
Space Shuttle

Utec
Thunderbird Motorcycle



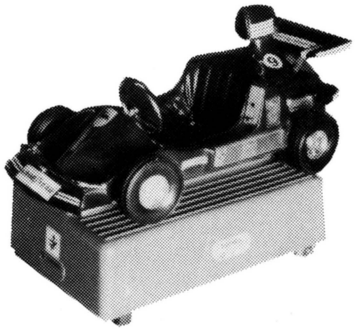
Utec
The Racer

Utec
Turbo

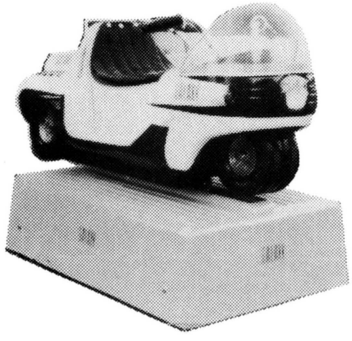


Utec
Utec Express

Zamperla
Elephant



Zamperla
Ferrari

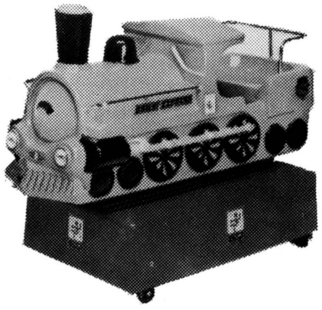


Zamperla
Galaxy

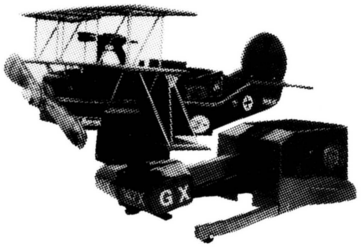
Zamperla
Helicopter

Zamperla
Hippo

Zamperla
Kangaroo



Zamperla
Little Train



Zamperla
Red Baron

Zamperla
Sharp Eagle

PHOTOGRAPHS NOT AVAILABLE

Amusement Technology
Astro-Car

Amusement Technology
Cessna

Amusement Technology
Cruiser

Amusement Technology
Deluxe Mirrored Carousel

Amusement Technology
Helicopter

Amusement Technology
Land Eagle

Amusement Technology
Lotus Car

Amusement Technology
Motorcycle

Amusement Technology
Rolls Royce

Amusement Technology
Speedboat

Autorovo
Carousel

Autorovo
The Rally Star

Bafco
Astronaut

Bafco
Crusader

Bafco
Horse

Bafco
Hot Rod

Bafco
Night Driver

Bafco
Road Hawk

Bafco
Train

Bafco
Voyager

Kiddie Rides USA
Chips Police Bike

Kiddie Rides USA
Video Car

Mini Speedways
Hydroplane Boat

Mini Speedways
Space Capsule

R.G. Mitchell
Mini-Copter

R.G. Mitchell
Seascooter

R.G. Mitchell
Super Surfer

NOVELTIES

PHOTOGRAPHS NOT AVAILABLE

The Norton Company
Stomper

Mini Speedways USA
Arm Wrestler

Mini Speedways USA
The Striker

Alter Enterprises
Tracerball

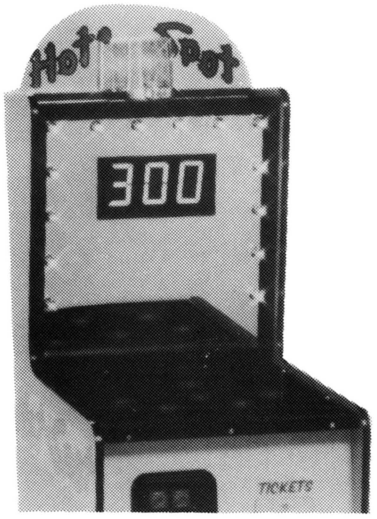
Astropick
Astropick

Betatek
Speed Limit

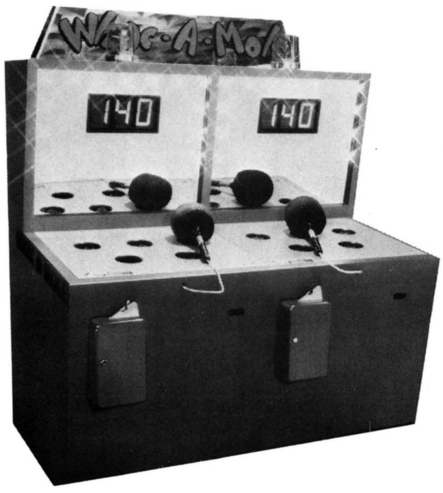
Betson Enterprises
Skill-O-Bingo

Bhuzac International
Love Meter

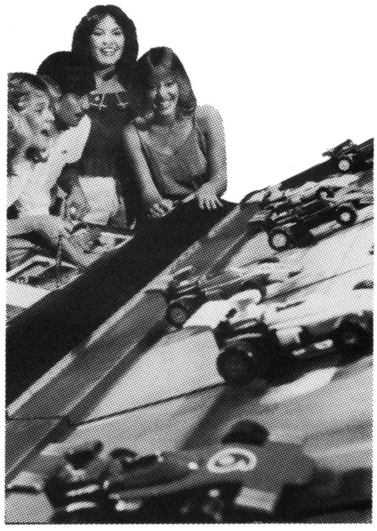
Bob's Space Racers
Can Alley



Bob's Space Racers
Hot Spot

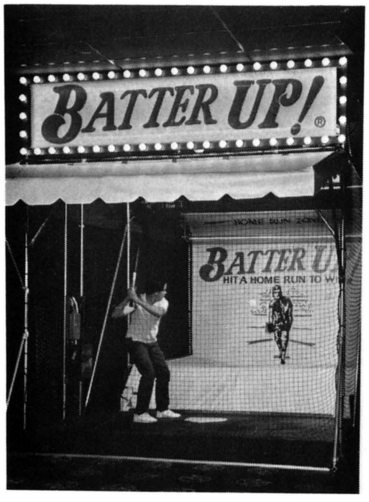


Bob's Space Racers
Whac-A-Mole



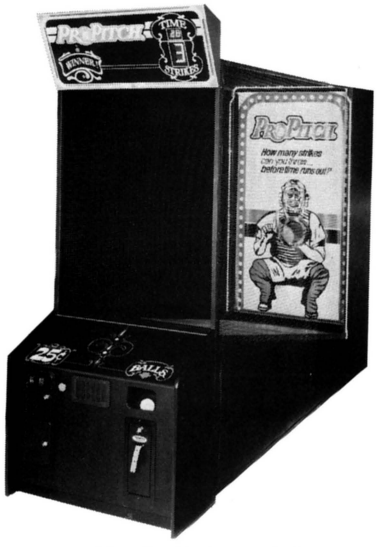
Bob's Space Racers
Super Shifter

Computer Amusement Systems
Color Scope



Doyle & Associates
Batter Up!

Doyle & Associates
Hoop Shot!



Doyle & Associates
Pro Pitch!

Entertainment Enterprises
Tournament Ice Hockey

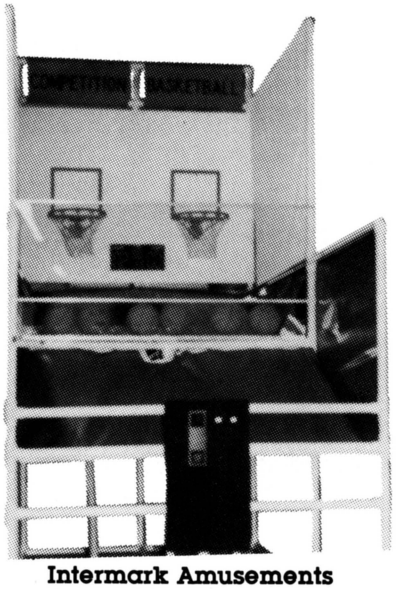
Grand Products
The Four Kings

ICE (Innovative Concepts)
Chexx

ICE (Innovative Concepts)
Kixx

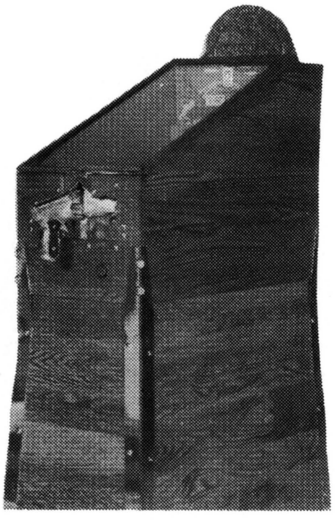
IDEA
Idea Ball

Imperial Investments
Speed Zone

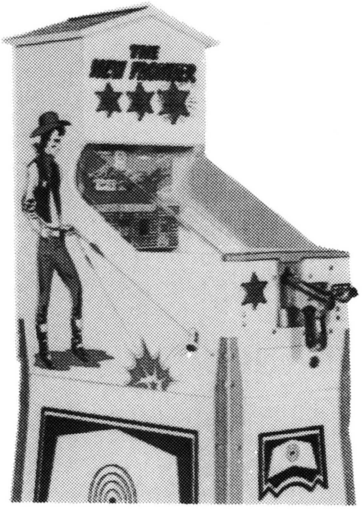


Intermark Amusements
Competition Basketball

Johnston Products
Big Top

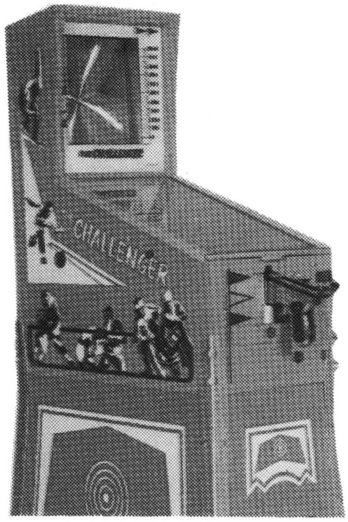


Johnston Products
Gold Nugget



Johnston Products
New Frontier

Johnston Products
Space Shot



Johnston Products
The Challenger

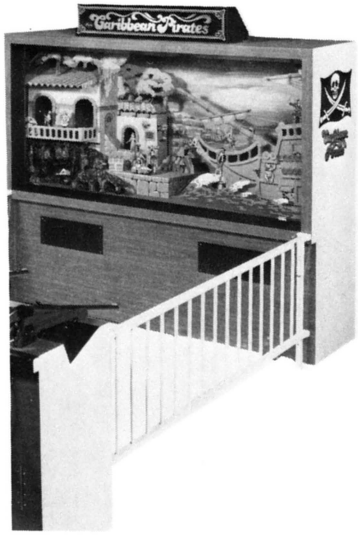
Johnston Products
U.S. Marshall

Mike Munves
Artists Reception

Mike Munves
Bat-A-Ball

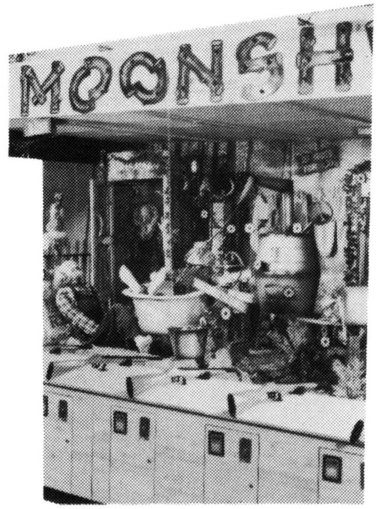
Mike Munves
Love Tester

Mike Munves
Wheel of Love



Mini Speedways USA
Caribbean Pirates (by Kasco)

Mini Speedways USA
Clay Shooting (by Kasco)

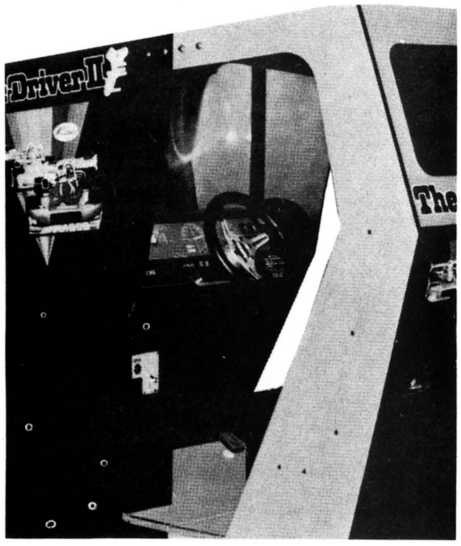


Mini Speedways USA
Hillbilly Moonshine (by Pan)

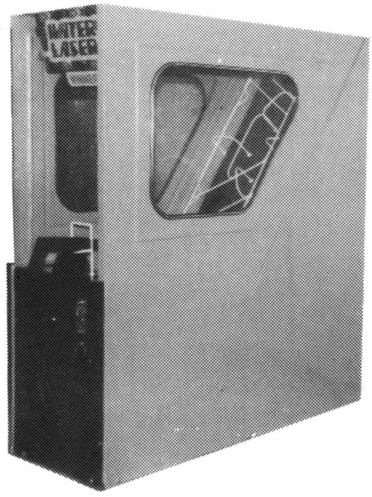
Mini Speedways USA
Money Machine

Mini Speedways USA
Ninja Gun (by Kasco)

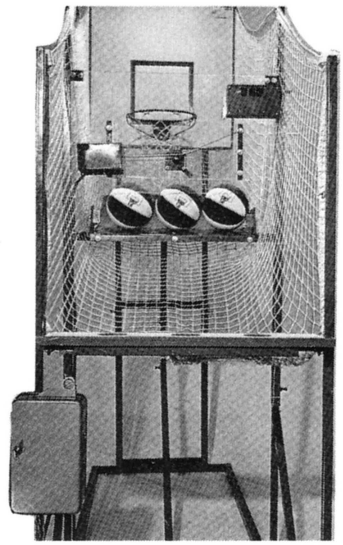
Mini Speedways USA
Stagecoach (by Kasco)



Mini Speedways USA
The Driver II (by Kasco)

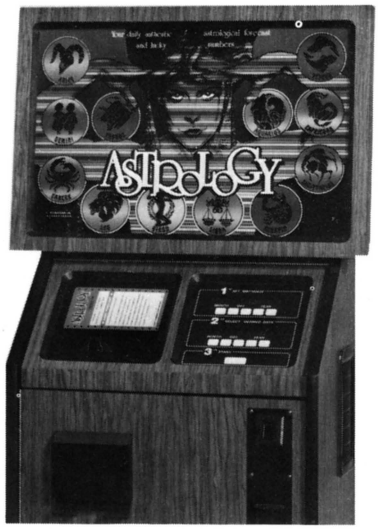


Mini Speedways USA
Water Lasers



Pop-A-Shot
Pop-A-Shot Poppa

Pop-A-Shot
Pop-A-Shot Jr. & sitdown



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ASTRO-LOTTO
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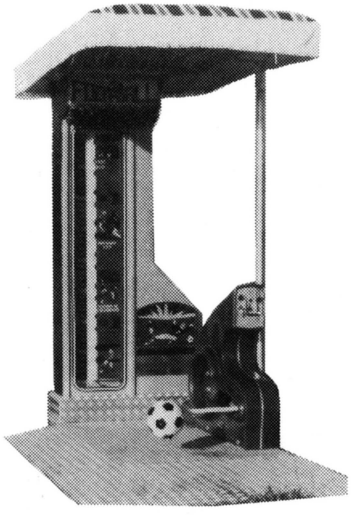
Punchball



Zamperla
Soccer Football

Zamperla
The Bull

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(telephones)

Alter Enterprises
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Fairfield, NJ 07006
(201) 882-9866
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American Pay Phone Systems
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Woodland Hills, CA 91364
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(800) 272-1371
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(800) 231-5152
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(800) 524-2343
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Legal issues key to merchandisers, redemption

by Robert J. Snyder

A game doesn't have to have an arm to pull and spinning wheels for the law to classify it as a slot machine. Cranes with joysticks are not automatically OK.

A court makes the final ruling on a product's legality, not a permit-issuing clerk at a city hall.

I am of the opinion that many existing cranes violate statutes and should not be used.

The primary consideration of operators, distributors, and manufacturers of merchandisers and redemption equipment must be the legal issues involved and an assessment of skill and chance. Game regulatory laws, court rulings, and expert opinions must be incorporated into both the design and operation of a product.

In this article I will discuss federal, state, and local criminal statutes, point out court rulings and influential opinions, and look at a few state statutes regarding the concepts of skill and chance. I'll also discuss law enforcement's acceptance attitude toward games.

Law-enforcement officers seize games or issue orders that they be removed based on the assumption that a criminal statute has been violated, that a crime has been committed.

To commit a crime, a person must violate a law that prohibits a specific activity, such as operating games determined by definition to be slot machines or gaming devices, which may include the wrong kind of claw machine. A person also can violate a law by not performing an act a law commands, such as registering gambling equipment for interstate shipment or obtaining business or game permits. This article is about the violation of statutes and assumes you have the licenses and permits required to run your business.

Game laws are prohibitive in that they spell out the activities in which you may not engage. They generally do not spell out the games you may legally operate or activities in which you may engage legally. The idea is that activities not prohibited may be engaged in, including manufacturing, distributing, and operating of non-prohibited games. Because we're concerned with coin-op games only, I have edited or paraphrased statutes and rulings to make their meanings more pertinent.

Operator concerns

You are, no doubt, aware of redemption games that operate successfully and make considerable profit. You also are aware of redemption games that have been confiscated or ordered removed by law-enforcement authorities. That's why one of the questions an operator must ask himself about a redemption game is whether it is legal.

From an operator's position, there are two considerations in determining the legality of a game. First is the product itself—its design, features, and play characteristics. Second is the operation of the game, including how it is set up, the method of use, the type and size of the merchandise, and the method and value of the giveaway and redemption.

The setup and operation of a game is, in effect, an advertisement to the public. How the play is advertised to the public compared with the reality of play is an important legal consideration.

There are seven primary considerations that directly or indirectly regulate the acceptance of redemption and merchandising games. They are:

1. federal laws
2. state laws
3. previous court rulings on similar issues
4. local ordinances and codes
5. written legal opinions from a state attorney general
6. administrative rulings of licensing boards
7. law enforcement's tolerance of a product

A brief summary of legislative and court thinking

Arizona: In a 1957 court ruling ... gaming statutes are an expression of police policy ... to the protection of the general public and not experts with skill in operating mechanical devices.

A person who ... carries on any slot machine or machine of like character is guilty of a misdemeanor. Code section 13-1302.

Hawaii: Gambling device ... any device or machine used to risk something of value, by a contest of chance, to receive something of value (712-1220). Any game that depends in a material degree upon an element of chance, even if skill may also be a factor.

Illinois: (Criminal Code 28-2) Gambling device ... a machine with the reception of money ... on chance or skill, value is staked, bet won or lost. Exempt are amusement coin-op devices for amusement, when in part depend upon skill, and award replay, no money or property may be rewarded.

Kansas: (Code section 21-43016) Gambling device ... a contrivance, affording the player opportunity to obtain value, determined by chance.

Louisiana: (Statute section 15.31) Gambling device ... any machine, with a knock off and meter for free games. Any mechanical device designed and manufactured primarily for gambling ... the result of an element of chance.

New York: (Title M, 225.00) Slot machine-gambling device ... depending upon elements of chance.

Oklahoma: (Section 964) (1939) Slot machine defined ... any machine, device ... played by inserting any coin, token, check, value, such person will stand to win or lose whether by *skill or chance*, or by both a thing of value.

Federal statutes

This brief overview is directed at law-abiding businessmen who pay their taxes and simply want to successfully manufacture, distribute, or operate coin-operated amusement devices that offer player rewards such as redeemable tickets, tokens, or merchandise. As a result it excludes statutes dealing with copyright infringements, racketeering, or organized crime.

Generally speaking, federal statutes prohibit the interstate shipment of gambling devices. There are exceptions that are well regulated.

The Gambling Devices Act of 1962 [Title 15 U.S. code (sections 1171-1178)], which amended the Johnson Act of 1951, defines a gambling device as "a mechanical device or slot machine of which is a drum or reel with insignia thereon ... (A) ... when operated may deliver ... of an element of chance any money or property ... (B) or, by the operation in which a person may be entitled to receive, as the result of an application of an element of chance, any money or property. Or any other machine or mechanical device ... primarily for use in connection with gambling and ... or any sub-assembly or essential part intended to be used in connection with any such machine ... ."

Exceptions to the definition are included in Section 1178 of the act, which reads in part: "None of the provisions of the Gambling Devices Act shall be construed to apply to pari-mutuel race track betting machines; to mechanical devices, coin-operated bowling alley, shuffleboard, (pinball) ... or mechanical gun (not) manufactured primarily for use in connection with gambling, and does not deliver, as a result of chance, any money or property ... or to any claw or digger machine, which is not operated by coin, is actuated by a crank, and is designed for use at carnivals and state or county fairs."

The law also mandates transportation requirements, registration of manufacturers and dealers, record keeping by persons engaging in the business of such machines, and other procedures.

The Gambling Devices Act focuses in part on delivering property through an element of chance, thus skill and chance are important considerations pertaining to redemption and merchandising games.

State laws

Virtually all states prohibit the use of slot machines. Through their statutes these states define what constitutes a slot machine. The statutes typically define a slot machine as any mechanical machine apparatus, or device operated by a player through the insertion of a coin, token, slug, marble, or ball, the outcome or result of which are determined wholly or predominately by hazard or chance and, based on the results, a player may be entitled to property, merchandise, or anything of value.

The definition varies somewhat from state to state, but in general, for a machine to be considered a slot machine, the following three elements or factors must be present:

1. coin insertion (consideration to play)
2. results determined by hazard, luck, or chance
3. player entitlement to receive property or value based on the outcome of play

You can see that a game doesn't have to have an arm to pull and spinning wheels for the law to classify it as a slot machine. You can see that cranes with joysticks are not automatically OK and that there is no indication that if such a contrivance gives out a fair amount of winners it is exempt. The number of winners is not even mentioned. The only factors referred to are coin operation, chance outcome, and reward giving.

Court rulings

What constitutes an "element of chance" depends, in part, on the specific state and previous court cases. Courts may interpret its meaning literally, requiring the outcome of a

game to depend almost purely on skill. Or the courts may interpret the phrase so that a significant amount, a predominance of, or an overwhelming amount of skill is required.

Court rulings provide that "in determining whether a game is a game of chance, the test is not whether the game contains an element of skill but rather, as between them [chance and skill], which is the dominating factor in determining the result of the game."

In one case a court ruled that "whether a particular game is one of skill or chance is largely a factual issue."

In some states a particular class of game may be excepted from the slot-machine statute, and the exception may be addressed in the statute itself. Such exceptions (for pinball machines, for example) have come about from litigation and lobbying efforts by the coin-operated amusement industry.

In California, the slot-machine statute (Penal Code 330a) reads in part that "it is expressly provided that ... pinball, and other amusement machines or devices which are predominately games of skill, whether affording the opportunity for additional chances or free plays or not, are not intended to be included within the term 'slot machine' or device within the statute."

Presented with this article is a sample of parts of court rulings and state statutes that address coin-op games that return property, merchandise, and, in some cases, anything of value, when the return is based in part on chance. It is important, however, that operators read current statutes and local ordinances or codes in their entirety. Court rulings, of course, influence and interpret the intent and scope of any statute.

Consultants and others who render expert opinions for legal consideration frequently discuss mathematical analysis, subject testing, segment analysis of game play, individual characteristics of the product's features (play modes), and selected options and controls both by the player and operator. These factors and others are important considerations in assessing skill and chance.

The legal issues pertaining to the degree of skill are perceived by operators differently than by regulatory personnel. But both points of view are subject to a court's interpretation after arguments and expert testimony. Usually, game-licensing inspectors, vice officers, detectives, state troopers, and federal agents assess games more conservatively than the games' operators.

Case law is separate from written statutes. It reveals previous court rulings in litigation involving similar sets of circumstances. How and why courts rule on similar games or methods of use is relevant.

Opinions of state attorneys general

A state attorney general will, at the request of government authorities or law-enforcement agencies, write a legal opinion based on research in the particular subject. Such opinions, though not legally binding, carry tremendous weight and influence the courses of action of government and law-enforcement agencies. From law

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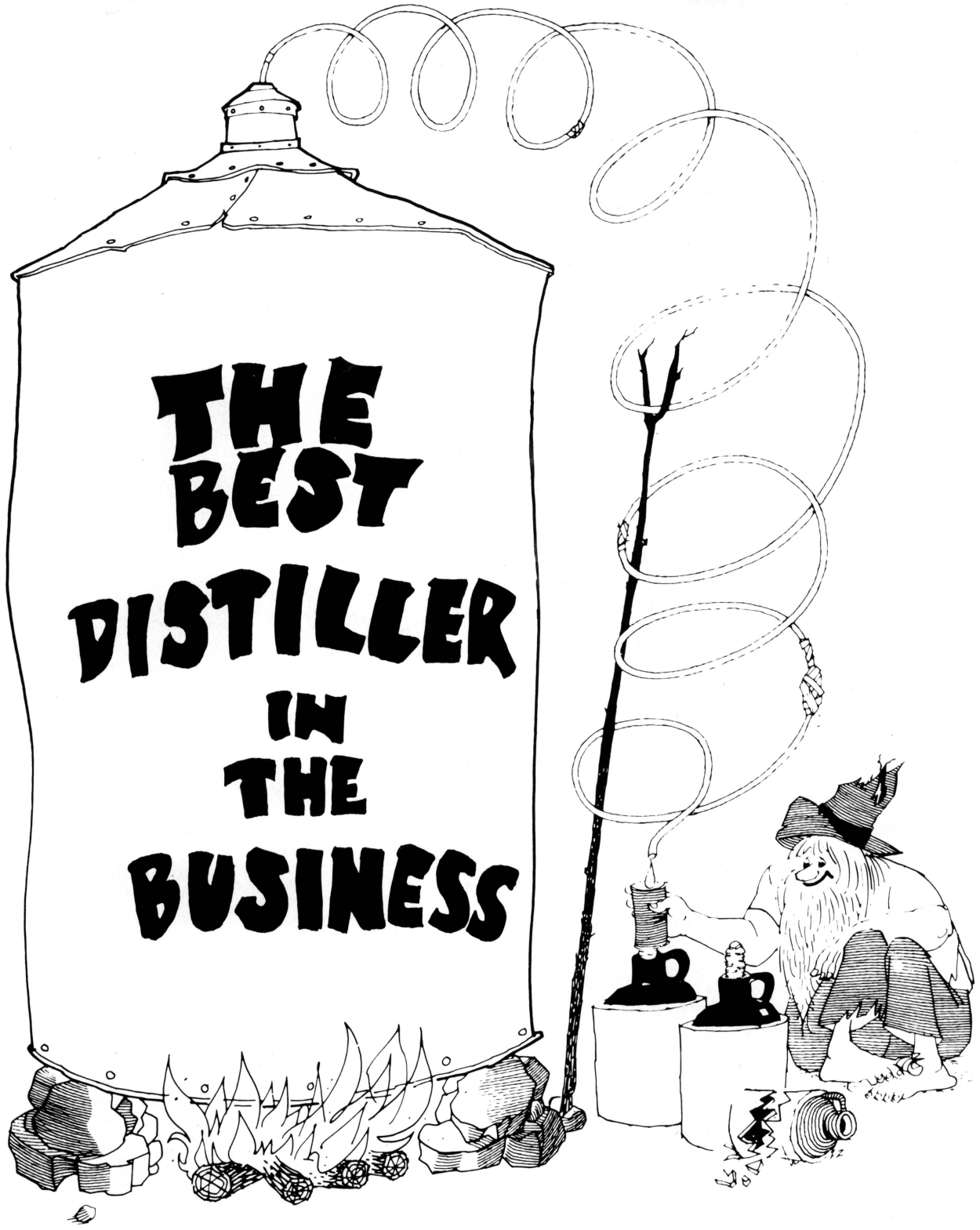

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enforcement's point of view, an attorney general's opinion is the authority upon which to act until a court rules otherwise.

Local ordinances

A county, city, or town's codes may not be in conflict with its state's statutes, but may include more stringent requirements then those of the state's statutes. A local ordinance may regulate an activity that the state does not address at all.

Licensing boards

The issuance of a local permit or license for a game does not necessarily legalize that game. Courts have held that local licensing is for regulation and revenue, not for legal sanction. Sometimes a game that has been issued a city's permit is later deemed illegal. A court makes the final ruling on a product's legality, not a permit-issuing clerk at a city hall.

Law-enforcement tolerance

The reality of enforcement—the attitude, tolerance, or acceptance of local authorities—at times has as much influence at the street level as considerations discussed previously. A game may be legal, technically, in a court of law, but not accepted by local authorities. A local investigator may simply say, "I don't like it."

Conversely, and to a greater extent, illegal games are in locations where the police have simply ignored the games for a variety of reasons—perhaps from a lack of complaints or gaming-law ignorance, because game enforcement is a low priority, or through a trade for information. (The location owner or operator is a businessman who provides useful information.)

The reality is that, excluding credit pokers, there are only a handful of regions where games are fully scrutinized, games are seized, and operators are prosecuted.

Police forces are response agencies. From the day an officer is sworn in, he receives ongoing training and reinforcement on how to respond to a situation. The judgments of his peers and his performance reviews are based partly on an officer's ability to make arrests. Police in general receive little, if any, training in game-law enforcement.

From a police agency's point of view, what is to be gained by approving or sanctioning a coin-operated game, particularly one that offers rewards? It is more realistic and safer politically for a police agency not to "approve" any game, but only to take appropriate action when a game is a concern or source of public complaint. That is one reason police agencies are reluctant to back up their nod of a approval of a game with a statement in writing to the same effect.

This reluctance is reflected in police explanations that the game can be modified, that the police are not legal advisors, and other reasons. Police reluctance to approve games or opposition to games is more common in larger communities where the operator and high-ranking police officials have little if any daily contact.

Operators must ensure that all prizes may be obtained through successful play. Otherwise, a few operators (or manufacturers) can generate a series of legal events that will significantly curtail the return of the crane.

Modern products and cranes

Cranes were introduced in the late 1920s and developed in popularity into the 1950s. Subsequently, repeated litigation and court rulings all but eliminated cranes in many parts of the country. The reasons were simple—the cranes could not retrieve many of the displayed prizes, their grips were too weak for others, and, in general, the games were virtually for gambling if not fraud.

After reviewing eight to 10 crane models, and evaluating others in-depth, I am of the opinion that many existing cranes violate statutes and should not be used. Violation in part results from design features or, in some models, the lack of features. To add to the concern, a lack of maintenance, improper stocking, or an improper method of display has compounded the risk of police action in some instances.

Operators of cranes, rotaries, and other merchandising redemption games must ensure that the products are in sound mechanical condition, that all prizes may, in fact, be obtained through successful play, and that no prizes are intentionally weighted, glued, or imbedded or by any means secretly restricted from the player. Otherwise, a few operators (or manufacturers) can generate a series of legal events that will significantly curtail the return of the crane.

When considering purchasing cranes, consider models in which all the advertised prizes are accessible to the claw. Test the strength of the claw, its tracking controls, and player options and controls. Remember, *each prize must be able to be won.*

The proper goal for an operator is to operate games that are legal (including being able to obtain a favorable court ruling in a trial), will keep their play appeal, and will return a reasonable profit. The correct game is the best insurance against police action.

Legal advice needed

This article has been a practical and realistic view of the legalities and regulations pertaining to coin-operated games, primarily of redemption and merchandising. It is not intended to replace the services of a competent attorney who might best know your local requirements and can provide you a legal assessment of specific laws and court rulings as counsel for your business. •

Robert J. Snyder is president of Bob Snyder and Associates, Inc., a consultant on card-casinos, carnivals, coin-operated redemption and video games, and gaming fraud. Snyder formerly was a supervisor in the Los Angeles County Sheriff's Department involved in enforcing game and gambling laws. He has provided expert testimony on games and gambling in dozens of courts in the U.S. and Canada. His firm consults with attorneys, government agencies, managers of amusement parks and arcades, and game manufacturers, distributors, operators.

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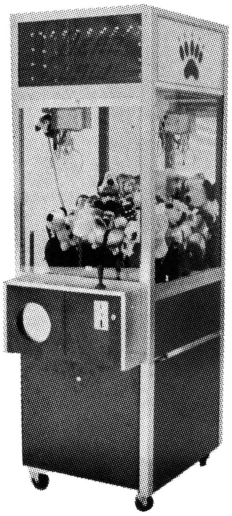

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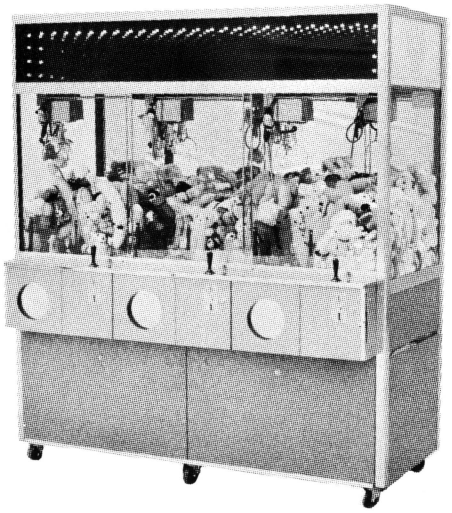

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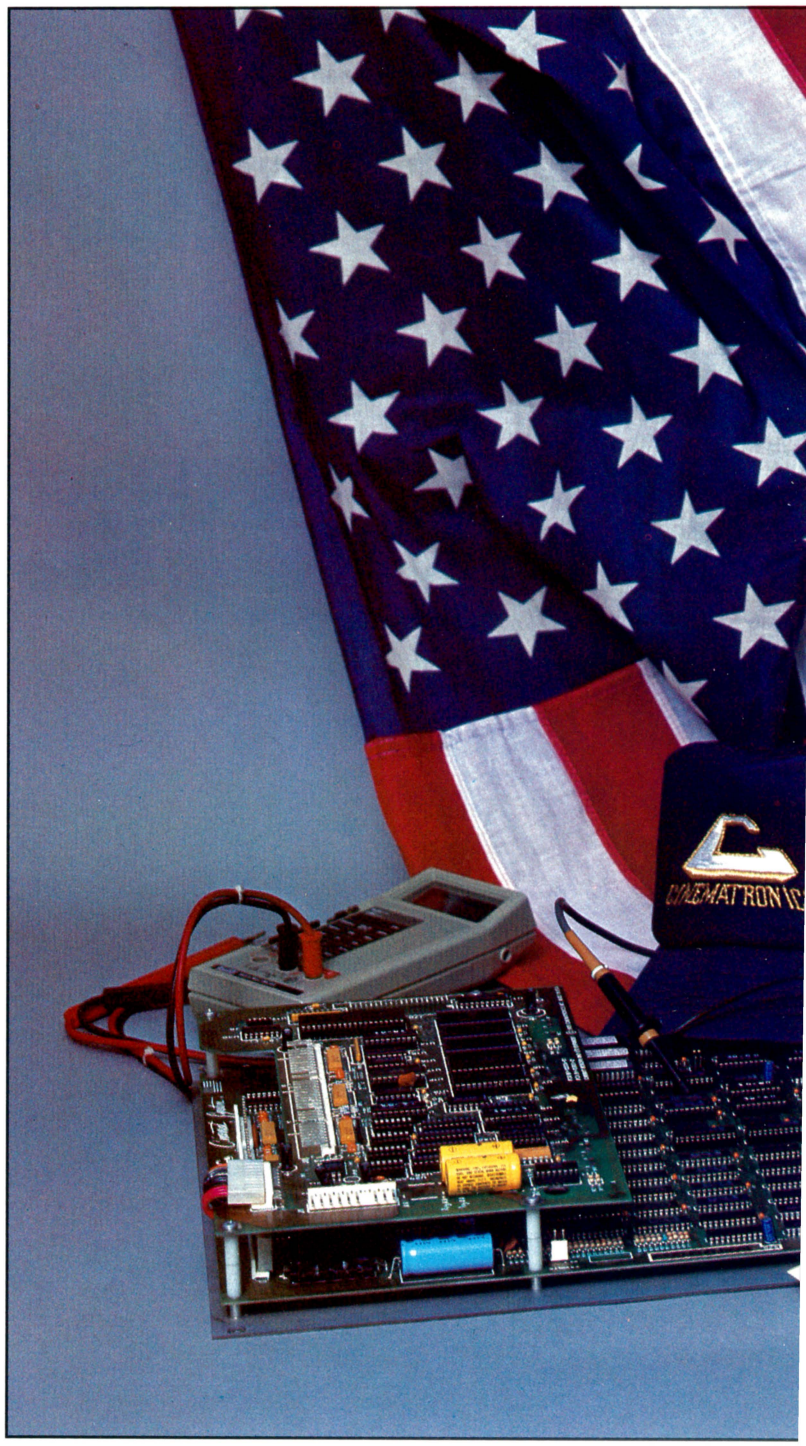

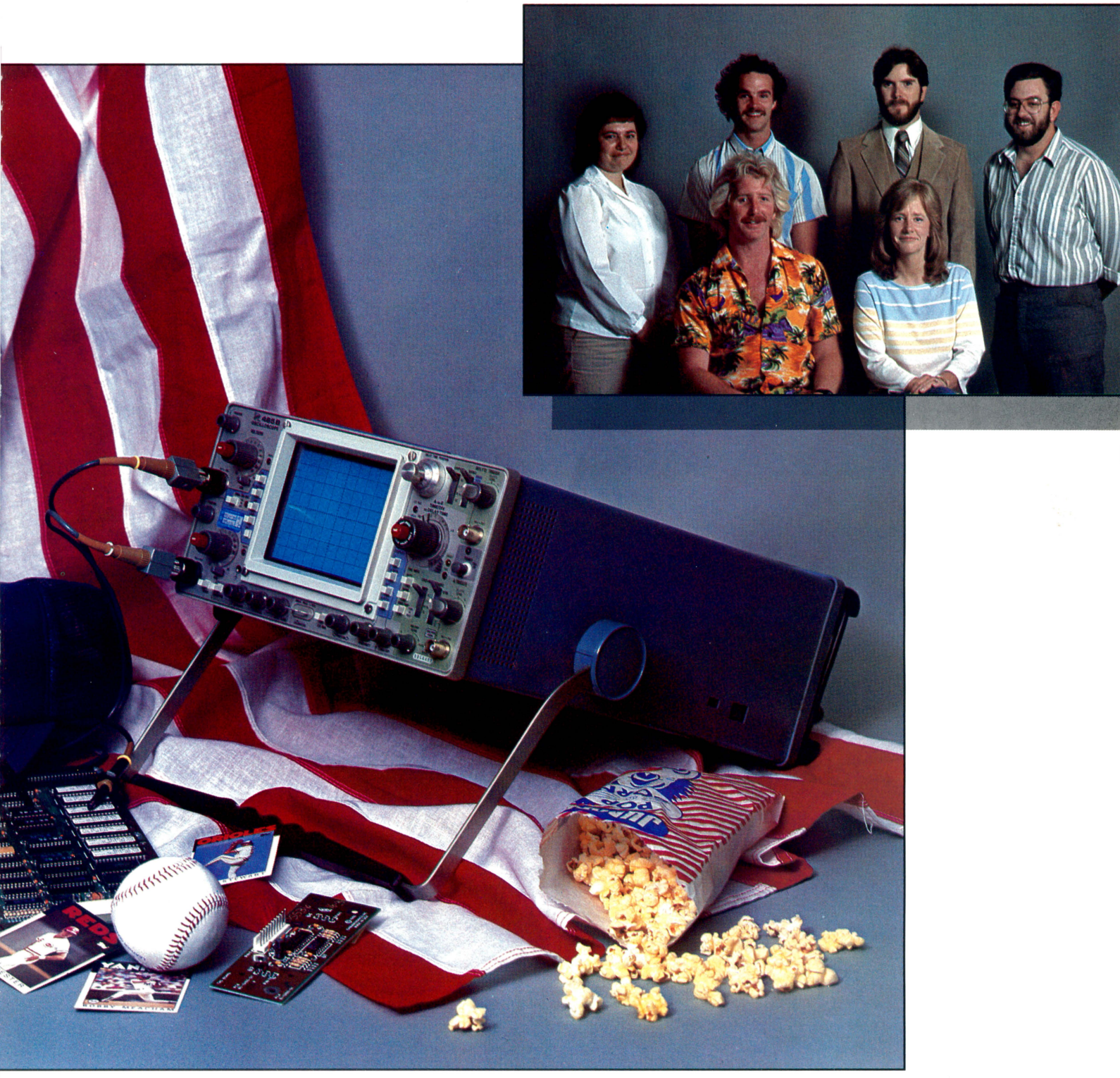

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Several readers have called asking about procedures for testing CMOS ICs. Here is that information, as well as procedures for testing solid-state devices and basic semiconductors.

The most basic semiconductors can be tested with simple, inexpensive equipment. The first component to be tested is a diode, and the equipment needed is an ohm meter.

Usually the R × 10 scale is used to avoid damaging small-signal diodes by exceeding the current ratings. In some cases, though, you may have to use the R × 1 scale to produce enough forward biasing to cause complete conduction.

On most VOMs (voltmeters) set to the ohm scale, the ground lead is positive and the red lead negative. But because that's not always so, before you start using an ohm meter, it's best to use another VOM set on volts DC to check the polarity of the leads on the ohm-scale VOM.

The procedure used to test a diode is as follows:

1. Connect the positive (+) lead to the anode, and the negative (-) lead to the cathode (see Figure 1). In this configuration the VOM should read a very low resistance.

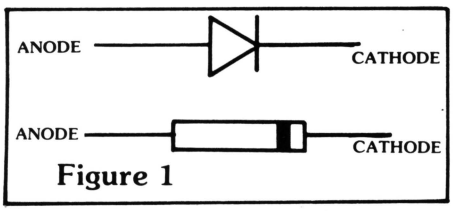

Figure 1

2. Connect the negative (-) lead to the anode and the positive (+) lead to the cathode (see Figure 1). Now the VOM should read infinity or no conduction. Depending on the diode configuration, there may be some leakage, but the resistance will be *very high* in any event. A reading of 0 ohms or very low resistance means the diode is shorted and is bad.

The exact value of resistances measured means practically nothing as long as very low resistances are measured one way and very high resistances are measured the other way. If a very high resistance is measured both ways, then the diode is burned open and is bad.

Since diodes come in several different packages, a few of the common ones are shown in Figure 2. Notice that on some, the cathode is designated by a band, and on others an actual diode symbol is stamped on the metal case.

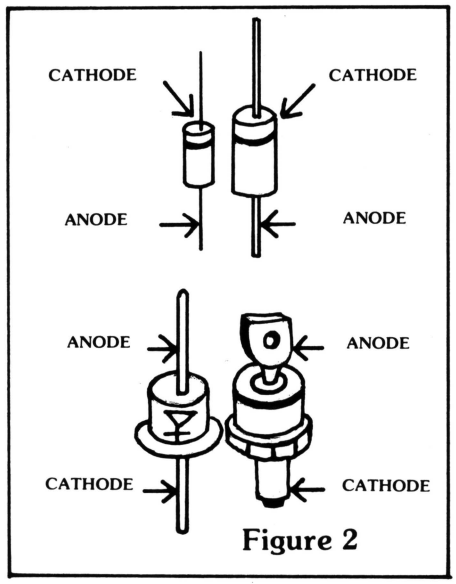

Figure 2

To test an SCR (silicon-controlled rectifier), which is a diode that can be turned on when voltage is applied to the control line or gate, you need an ohm meter and a jumper lead (or several leads).

Connect the ohm meter between the anode and the cathode as shown in Figure 3. Some SCRs will not turn on due to insufficient current in the VOM's ohm meter. In that case, try a more sensitive SCR. But always start at a higher resistance range and work your way down.

To test the SCR with the negative lead of the ohm meter on the cathode and the positive lead on the anode, take a reading with the jumper disconnected. The reading should be very high. If you reverse the meter leads and take another reading, the reading should be very close to the first reading, which will be almost infinite.

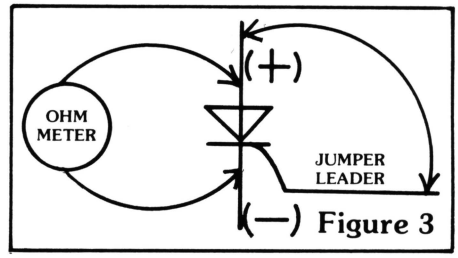

Figure 3

Now switch the leads back to their original places as shown in Figure 3.

With the ohm meter still in the circuit, connect the jumper as shown in Figure 3. The ohm meter's reading should drop, showing a very low resistance. If you remove the jumper, the reading will continue to remain low until the ohm meter is taken out of the circuit. That's because once an SCR has been turned on by having the gate tickled (voltage applied), it will remain on (continue conducting) until all voltage is removed from the circuit. Once you disconnect and then reconnect either lead of the ohm meter, the reading again will be high.

For an in-circuit zener diode test, you need a VOM.

As long as a zener diode isn't driving past its operating range, the voltage reading across the zener will remain very close to a constant voltage (determined by the zener's value)

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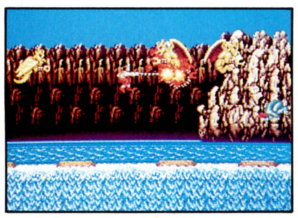

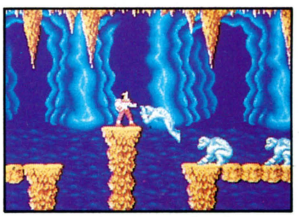

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no matter how much current is passing through the diode. (But there must at least be a few miliamps flowing in order to test a zener, and excessive current will burn it out.)

1. A zener must have a resistive load (RL) in parallel with it to function properly, so measure the voltage across the RL.

2. If the voltage is lower than the rating of the zener, take the zener out of the circuit and check the reading across the RL. If the voltage remains low, you have probably overloaded and cannot reach the zener's operating voltage.

3. If the voltage jumps sharply, then the zener is probably leaking current and is bad.

4. If the voltage is higher than the rating of the zener when the zener is in circuit, remove the zener. If there is no voltage charge, then the zener is probably burned open and should be replaced.

I'll have more information about testing diodes in the next Bear's Den. Meanwhile, let's look at IC (integrated circuit) chips and the use of a logic probe.

A logic probe simply tells you that a specific point is either high or low in regard to the PC board's main voltage ground, or if the location is pulsing. When using a logic probe, always be careful not to use the wrong switch setting (TTL/CMOS) when taking readings.

Although the oscillioscope is the most useful tool in all of electronics, it can be too expensive and bulky for basic logic troubleshooting. And for about $20 at Radio Shack you can buy a logic probe that is fully adjustable for TTL/CMOS—solid and pulse signals. This probe not only produces visible recognition codes using LEDs, but it also has a pizzio buzzer that produces an audible tone to designate a high, low, or no-voltage state.

In order to test an IC:

1. It must be in circuit, and power must be applied to that circuit.

2. You must know the general function of the IC (Is it an "AND, OR, NOR, NAND, NOT" gate or "flip flop" or "what?") To determine the general function, you should buy a CMOS cookbook or date book that lists all of the logic functions of each IC and maps out all of the logic functions so that you can take input readings and make a logical deduction as to the output.

This discussion of ICs will be continued in the next Bear's Den, which will include information about testing the peak inverse voltage of a diode. To do that you will need a high-voltage power supply (650 to 700 volts), a microammeter, a 500K-2 potentiometer, and a voltmeter. I'll also explain how to test the forward current (maximum), and for that you will need a low-voltage, high-current power supply similar to a Heathkit IP-2715, a 200-ohm resistor with a wattage rating of about three watts, an ammeter, and a voltmeter.

Other subjects for my next column will be how to test a varicap diode and an out-of-circuit zener diode and an explanation of procedures for testing small-signal transistors. •

[Mark "Bear" Attebery encourages readers of his column to ask questions and provide information on technical problems by writing him in care of Play Meter, *P.O. Box 24970, New Orleans, LA 70184. Please include your name, address, and the name of your company.]*

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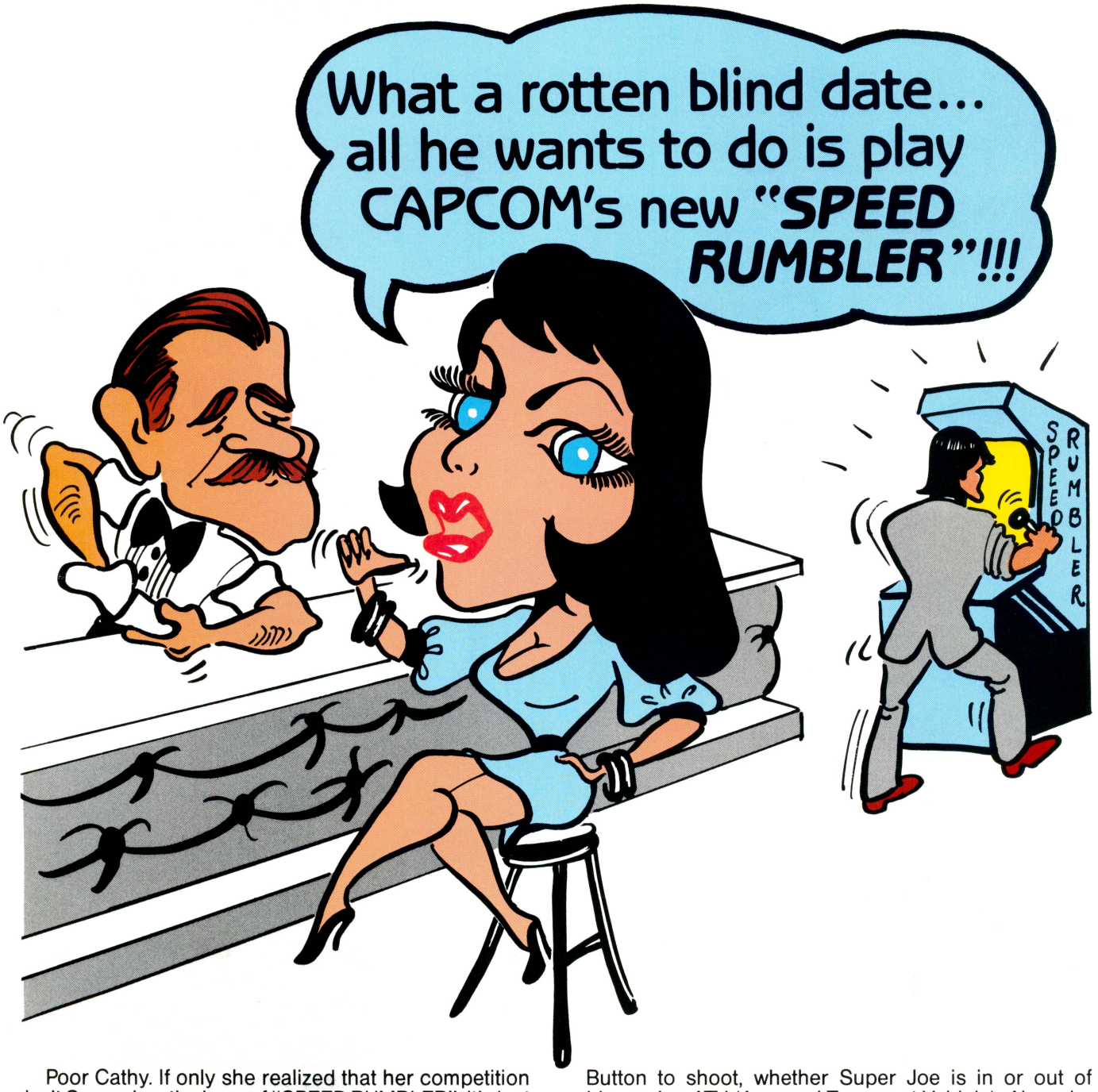

Poor Cathy. If only she realized that her competition isn't Super Joe, the hero of "SPEED RUMBLER". It's just such a great game that no one can resist the temptation to play. Ted, her date, is using the 8-way joystick to help Super Joe fight Zapper, the 21st century terrorists who have taken his wife and children hostage.

Cathy should team up with Ted by hitting the #1 Fire Button to shoot, whether Super Joe is in or out of his roaring ATV (Armored Transport Vehicle). Also, she could use the #2 Escape Button to get Super Joe out of the car, or flip him forward if he's already out.

Will Cathy join in to get her man? Will "SPEED RUMBLER" bring them together?

To be continued...

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Location contracts pay off

by John R. Storbeck

Ethics in the business world are sometimes hard to figure.

It was a Monday morning about two and a half years ago, Gordon Youle recalled, when he found that more than 50 of his machines—videos, cigarette machines, pool tables—had been removed that weekend from 10 of his locations and replaced with other machines. Youle, general manager of B&B Vending of Dallas, explained that the location owners—"longtime customers"—thought they could make more money on their own: "All of a sudden, they decided they were going into the vending business."

About three years before that, some 1,300 miles east of Dallas, six location owners in Broward County, Fla., supplanted cigarette and game machines belonging to Paramount Vending of Fort Lauderdale with machines brought in on lease-purchase agreements with a vending company from Orlando.

At roughly the same time, in an unrelated case, a "large public hotel corporation" bought a hotel in New York City and, in a unilateral corporate decision, notified Crown Vending that its machines could no longer remain on the premises.

Stories like those are not rare. In each of the instances, however, the operator held a contract. And in each instance, the operator filed suit for breach of that contract. Crown received a judgment of $28,000, but eventually settled with the corporation for what Steve Hochman, Crown's president, called "a large sum of cash." Paramount was awarded $25,000. B&B won $1,740,000 in punitive damages and loss of income.

Crown, Paramount, and B&B are among the about half of all amusement operators who use location contracts.

The benefits of such contracts would seem obvious. In an article he wrote for the Wisconsin Music Merchants Association, Walt Bohrer listed a number of advantages of having a contract. A location contract, he wrote, protects the operator's investment by giving him "the right to operate the location for a minimum period of time." It improves the value of a route, allows better fiscal planning, and establishes "the rates of commission" an operator pays and "the minimums, guarantees, or rentals" he receives. It can also provide a cooling-off period. "Occasionally," Bohrer said, "when relationships break down, the force of the contract can provide you with enough time to restore the relationship."

Bohrer also pointed out that a contract, which can preclude the possibility of collusion charges, sets up a sound and orderly business arrangement and provides a tool that can help an operator obtain financing for his business.

The Paramount case illustrates another point, that contracts protect against unscrupulous competition. Not only did the Fort Lauderdale company win a cash award, but its machines also were reinstated.

Contracts also can discourage unfair direct-sales competition. In a court case completed in 1981, Leo Kalyvas of Union Music Company of Harper Woods, Mich., charged that a location owner and a Michigan firm specializing in direct sales of equipment to locations conspired to breach a contract Kalyvas had with the location. The district court of Macomb County upheld his claim and awarded him compensatory damages, exemplary damages, repayment of advance commissions, and court costs.

Eddie Silverstein, secretary-treasurer of Cue Vending of Clifton, N.J., explained how location contracts have fared in New Jersey courts. In the 1950s, he said, a North Bergen-based firm named Silco sued 85 locations and a Bayonne-based firm by the name of Apco for breach of contract. The suit was filed in New Jersey's superior court, where the judge found for Apco and the locations. (The case has since acquired some celebrity because the lawyer representing the winning side was Joseph Weintraub, who later became a chief justice on the state Supreme Court.) Silco appealed, however, and the decision was subsequently overturned. Since then, Silverstein said, there have been "no problems" in New Jersey with contracts holding up in court.

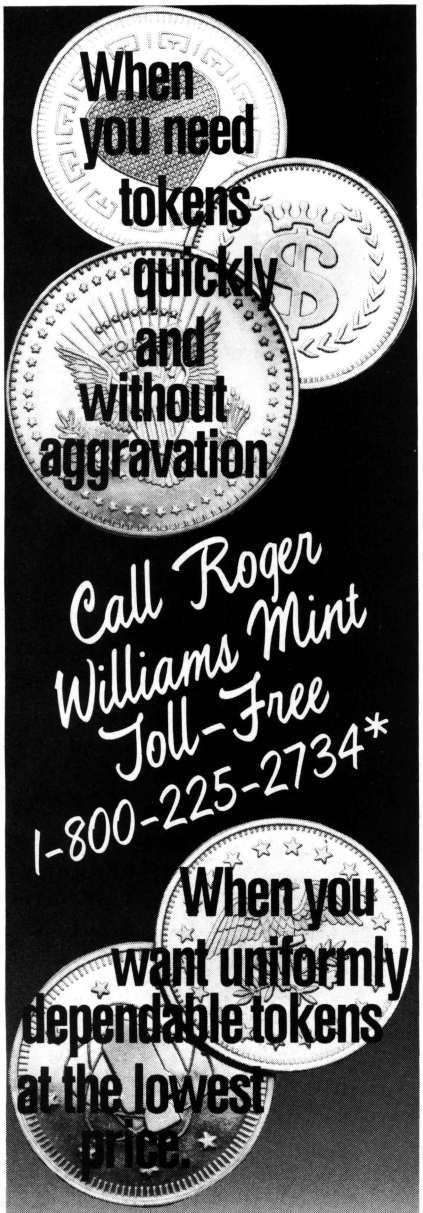
Roy George Music and Vending Corporation claims a similar track record for itself in court. The company has been in business since 1939, and its president, Dick George, believes in contracts. He conducted a seminar on location contracts two years ago at the AOE show in Chicago.

"We use the contracts," he said, "as a legal tool to resolve practical business problems with the customer." A large operator that serves five counties in northeastern Ohio, Roy George files suit once or twice a year over breach of contract. The result? "Maybe twice in the past 25 years have we lost a case," George said, pronouncing the word *twice* as if it were an overly generous estimate.

Frank "The Crank" Seninsky, whose New Jersey-based Alpha-Omega Amusements operates a route that covers 10 states, believes in contracts as strongly as George does. He said that none of his contracts has ever even been tested. Asked why not, he replied, "Because they're well-written."

What, then, constitutes a good contract?

Most agree that a dependable contract must be in writing. The contract,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Bohrer pointed out, is "the agreement between the parties." The written document, he said, is "the evidence of that agreement." Strictly speaking, a contract can be oral. But, he added, "only by writing can you evidence the terms and conditions under which the parties have agreed to be bound."

The contract should cover a specific length of time—many operators, including George, recommend five years—and should include a clause that binds the location owner's successor to the agreement. Crown's court award was based on just such a clause. George's company goes further: "We do our contracts in the form of a lease," George explained, because in Ohio, contracts are not registered in the county recorder's office, but leases are. As a result, a new owner must honor George's contract for the unexpired term of the lease.

The commission split should be specified in the contract (or as Bohrer put it, "what is to be paid, to whom it is to be paid, and when it is to be paid"), as well as who pays the license fees, taxes, and other permit fees.

Maintenance obligations should be agreed on, and responsibility for vandalism or other damage to the equipment while on location should be assigned.

An ideal contract includes an "exclusive agreement" that states that only the equipment belonging to the operator will be used in the location. It provides for resolution of disputes by arbitration and, in the event that the dispute goes to court, assigns legal fees and court costs to the prevailing party.

Bohrer recommended that damages for a breach be spelled out ahead of time. George agreed, saying that such a clause can deter a location from breaking the contract.

Attention to the smallest of details, however, is often what makes the contract worth considerably more than the paper it's printed on. Seninsky suggested that, in an agreement with a corporation, the operator obtain a "personal signature" from the other party, that is, that a person representing the other party sign not only as a corporate officer but also as an individual. He recommended that the operator always see to it that the location owner give his social security number or driver's license number and a home address and that the operator have the location owner initial the major points of the contract, "so they can't say they signed it when they were busy and didn't read it." He also puts a termination clause of some kind in all his contracts.

Seninsky brings up another issue—fairness. In contract law, the term used is *consideration*. Bohrer explained its meaning by way of example: "The purchase of an automobile," he said, "is supported by the consideration on the part of the buyer getting the automobile and on the part of the seller by receiving the amount of money for the sale. Both sides realized a valuable consideration or benefit from entering into such a contract." Seninsky phrased it more succinctly: "You can't have 13 points in your favor, and two in the other guy's."

Bohrer made another good point. "Even though a contract is signed," he said, "it technically is not enforceable unless you can prove delivery." One way of doing that is to send the contract to the location owner by registered mail, so that proof of receipt exists.

What is perhaps most important to remember, however, is that the elements that constitute a good contract are always changing. George said his company revises its leases at least twice a year. "I keep a list of things I want to add or change," he said. Hochman, who also is president of the New York State Coin Machine Association, said that when the law changes or when public attitudes alter, contracts must be refined. New York contracts, which he called "ironclad," are the result of "a distillation process that's been going on for 50 years in our association." The upshot, he said, is that the association "has never lost an arbitration or judgment in 'modern time.'"

Why, then, do so many operators today *not* use location contracts?

Cue's Silverstein said that many of the smaller, "mom-and-pop" operators prefer to rely solely on their rapport with the locations. Besides, he said, they sometimes don't have the cash flow to advance commissions, which is a widely used tool to encourage contracts. George probably wouldn't disagree, but he added another reason, summing up the problem in one word:

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Video game team seeks influence

by Mike Shaw

"Manufacturers are indicating to us that they realize we have something to offer. We can get the industry positive media exposure and help manufacturers determine which games will be popular with players."

"We don't expect to make a living off of this. We just want to be recognized as a part of the industry, to be involved as players in helping the industry thrive."

"Experienced players are able to demonstrate each machine's finer points by playing to advanced levels and exposing nuances in game play that sales representatives can have difficulty showing."

Walter Day is gone, but his dream lingers. Day, the Ottumwa, Iowa, arcade operator who developed the Twin Galaxies International Scoreboard and the U.S. National Video Game Team and hosted a score of player competitions, has left the industry. But his effort to develop a way for players to have a greater effect on the industry is being carried on by some of the players Day first identified as the nation's best.

Day's attempt to build a professional video-game organization around players never gained firm footing. He didn't have the financial support needed to carry out his plans, and he never could overcome a lack of support from the industry he wanted to serve.

The new effort, directed by the players themselves under the leadership of 19-year-old Steve Harris of Kansas City, Mo., is being better received. According to Harris, "manufacturers are indicating to us that they realize we have something to offer. We can get the industry positive media exposure and help manufacturers determine which games will be popular with players."

The current U.S. National Video Game Team consists of five players. Harris is joined by 19-year-old Jeff Peters, Perry Rogers, 22, and Gary Hatt, 22, all of southern California, and Brent Walker, 20, of Austin, Texas.

Team members have been successful at a number of national video-game championship events, and each is listed as a high scorer on several games in the *Guinness Book of World Records*.

"We wanted players who were good at a wide variety of games," Harris said. "These are definitely the country's best players."

The team has about a dozen associate members, Harris said, who help plan and carry out some team events.

Industry shows

The recognized U.S. National Video Game Team's first official act was to represent American players at the ATE international trade show in London in January. The trip represented not only a new beginning for the team, but the first time it had received industry backing. Manufacturers Sega, Nintendo and Atari, English industry giant Dieth Leisure, and *Amusement Business* magazine all contributed to sponsor the team's European visit.

"We were supposed to be there for just a few days," Harris said, "but the stay turned into three weeks when Nintendo and a German distributor decided to sponsor our appearance at the German trade show, IMA."

At both shows, the team competed with top European players and demonstrated play on some of the newer games.

"Manufacturers and distributors realize the potential of the team in promoting new titles," Harris said. "Experienced players are able to demonstrate each machine's finer points by playing to advanced levels and exposing nuances in game play that sales representatives can have difficulty showing."

In March, *Amusement Business* brought the players to the ACME show in Chicago to test and comment on new games. There, Harris said, the players helped operators make buying decisions.

"We were on the show floor to discuss the new equipment and give our opinions," he explained. "Operators were appreciative of the team's unbiased judgments."

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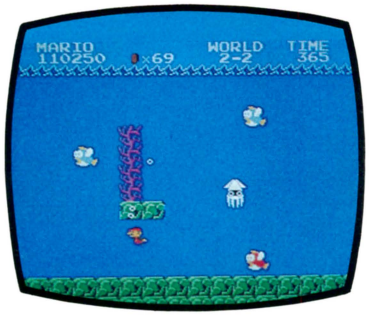

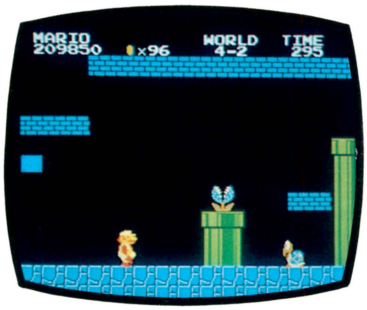

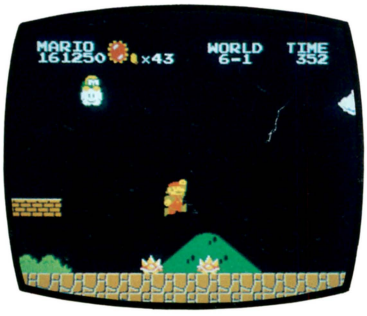

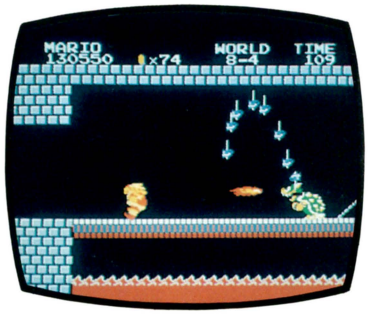

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Masters Tournament

The team's biggest job to date has been the 1986 Video Game Masters Tournament, held June 27-29 at Bally's 330 Aladdin's Castles arcade locations. The tournament, which the team coordinated with Bally, featured competition on 125 different games. The top score on each game is to be recorded in the 1987 edition of the *Guinness Book of World Records*.

"We participated by setting the standards for the operation of each game to make sure that every player competing on a particular title would be competing at the same level of difficulty," Harris said. "We also worked with the March of Dimes, which conducted its annual fund-raising telethon the same weekend. There were appearances on national television to publicize the fact that donations from the proceeds of the tournament were being made to the March of Dimes."

Development consultants

Harris contends the players can make a significant contribution to coin-op manufacturing. And some manufacturers, he said, have begun to take the team up on its offer to consult in the development of new games. According to Harris, the team already has contributed opinion to Bally Sente, Tecmo, and Romstar, giving "a player's perspective" on games in development.

The team's plans include fostering international competition through a series of contests that will culminate in an international play-off. Harris also is eager to organize interested players across the United States into amateur video-game leagues.

"We want to build an organization that will speak for the players," he said.

After several years of trying to develop a player's organization with a significant effect on the video-game industry, it appears that the new effort in the form of the U.S. National Video Game Team may work. If it does, it will be at least partly because of the way Harris and his teammates are approaching their role.

"We don't expect to make a living off of this," he said. "The industry would have to change significantly to accommodate professional players, and we don't expect the manufacturers to provide money to support that kind of competition.

"We just want to be recognized as a part of the industry, to be involved as players in helping the industry thrive."•

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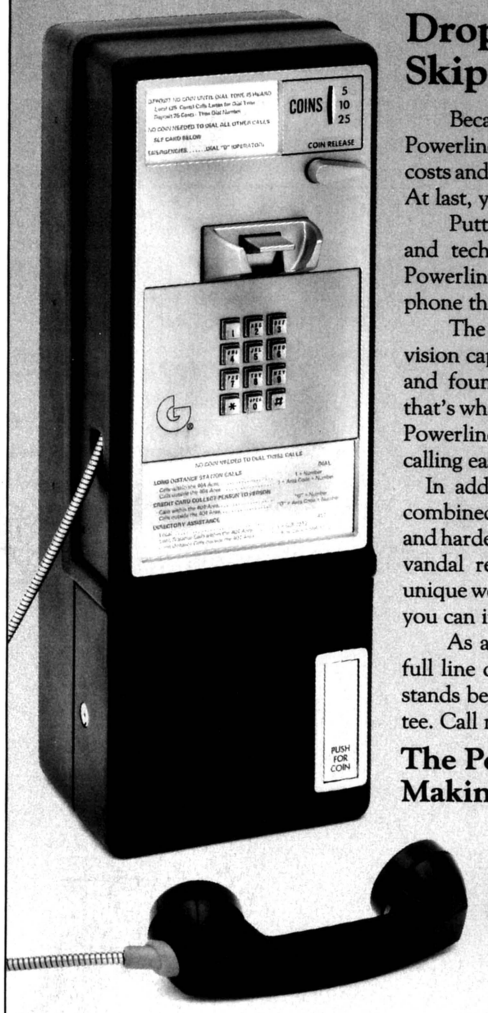

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FRANK'S CRANKS

By Frank "The Crank" Seninsky

Washington expedition worthwhile

Rep. Austin Murphy, D-Pa., left, talks with Sam and Shirley Strangis of Morgan Amusement Co. of McKeesport, Pa. In the background are Paul Moriarity, president of Taito America, left, and Al Marsh, AMOA president.

The AMOA's Government Affairs Conference May 19 through 21 marked the beginning of what many in the coin-op industry hope will be a long-term relationship with our nation's legislators. It had been 16 years since game operators last made a united, organized visit to Washington, D.C. Last month's effort drew 120 operators from 26 states who joined forces with many of the leaders of the AAMA in a very successful expedition.

Many operators (and some members of the trade press) were skeptical about the worthiness of this trip to the nation's capital, and that's why they didn't go. But for those who did, it was quite an education on how to lobby successfully for our future.

For those of you who want to build a profitable business, it's much easier to work as part of a respected group, together with the government people, than it is to go your own way and take what comes. Sen. Strom Thurmond of South Carolina, who addressed us at our luncheon on Capitol Hill, expressed it perhaps better than anyone else could, saying "You can be sure, if you don't work closely with your government legislators, they will most assuredly dig deep down into your pockets." Sen. Thurmond's candidness was much appreciated.

Also speaking at the luncheon were industry friends Sen. Orrin Hatch, R-Utah; Sen. Ed Zorinsky, D-Neb.; Rep. Andy Ireland, R-Fla.; and Rep. Robert Katzenmeier, D-Wis.

Jukebox licensing

It was interesting to hear Ralph Oman, register of copyrights, and Walter Sampson, Licensing Division chief, give their views on the jukebox-licensing issue. Operators have been quick to criticize the AMOA for the $50-a-year ASCAP fee (with a $10 rebate if enough boxes are licensed) for each each jukebox. After hearing the other side of the story, I felt the AMOA did a commendable job considering what it was up against.

Less than one percent of the royalties collected by ASCAP come from the jukebox industry, and it costs more than $40 each to do the paperwork alone for the licenses. I got the impression that the Copyright Office had to come up with a royalty fee, and it would have been just as easy to pick a number out of a hat, like $150 or $100 a box. There are European countries that charge jukebox operators the equivalent of a $90 royalty fee.

Operator compliance also was addressed. There is no way that ASCAP is going to prosecute everyone operating unregistered jukeboxes. That would be a waste of their time and our courts' time. Some cases will be initiated and followed through, however, and they will cost those operators who draw the short end of the stick. It is really up to our industry to police itself and see that most of the jukeboxes do get licensed.

Congressional visits

This was the most important part of the trip. Although many senators and congressman were either in meetings or already had left for the

Memorial Day holiday, they most certainly knew we were there. Next year AMOA will schedule the Washington trip at a more opportune time, and a much bigger operator turnout is expected.

I met with the legislative assistants of Sens. Bill Bradley and Frank Lautenberg and Rep. Jim Howard, all of New Jersey. I was surprised when Mitchell Ostrer, Lautenberg's legislative assistant, explained his feelings on parallel imports. Lautenberg was instrumental in dealing with the Duracell battery case, which has many similarities with our industry's parallel-board situation. It was suggested that a meeting be set up between the AAMA, the AMOA, and possibly the two New Jersey senators to discuss a quick solution to our parallel-board problems. David Apgar, Bradley's legislative assistant, although not involved in parallel-import issues directly, indicated that Bradley could help find a solution to our industry's plight.

I've been trying to reach Bob Lloyd, Data East president and, until recently, AAMA president, to work with him to set up this meeting. I think this approach is much more realistic than singling out a few major culprits and trying to scare operators into voluntarily not buying parallel and copy boards. This won't work well enough, because even though most operators deep down don't want to use parallel boards and copy games, they do because their competitors do. It's much easier to rationalize using these products when your competitors are jumping your locations because their overhead is so much lower than yours, and they can and do get away with it. This may sound like a cop-out rationalization, but believe me, that's what goes on out there. When you possibly can lose your business anyway because of unfair competition, it becomes easy to practice monkey see-monkey do and to hell with the consequences. A new approach to the parallel problem obviously is required.

I can be reached for more information at Alpha-Omega Amusements & Sales, 6 Sutton Pl., Edison, NJ 08817, (201) 287-4990.

As always, keep cranking.

Bob Lloyd: Please call soon. •

Sen. Ed Zorinsky, D-Neb., right, talks with Fred Collins of Collins Music Co. of Greenville, S.C. Zorinsky once was a jukebox operator.

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NATIONAL PLAY METER

Poll Information

The following are rankings of the top games in the coin-operated amusement industry. The games are ranked according to an index formulated from a regular survey of operators of coin-operated amusement equipment. Games not appearing on this poll either (1) did not generate a five percent response or (2) did not rank among the top 50 games in the country. The games are further identified by their general equipment classification type: Video, Pinball, and Novelty. The average index rating for all surveyed games for this individual survey was 76.

Top Ten Games of July 15 Issue

Game/Manufacturer	Index Rating
1. ***Super Sprint*/Atari**	**243**
2. ***Ikari Warriors*/Tradewest**	**232**
3. ***Mania Challenge*/Memetron/Taito**	**175**
4. ***Gauntlet*/Atari**	**170**
5. ***World Series*/Cinematronics**	**166**
6. ***High Speed*/Williams**	**161**
7. ***Sarge*/Bally Midway**	**149**
7. ***Hang-On (Mini)*/Sega**	**149**
9. ***Gladiator*/Taito**	**147**
10. ***Gridiron Fight*/Tecmo**	**146**

Game/Manufacturer	July 15	June 15	May 15	May 1	Video	Pinball	Novelty
1. *Super Sprint*/Atari	243	262	—	—	•		
2. *Ikari Warriors*/Tradewest	232	183	—	—	•		
3. *Mania Challenge*/Memetron/Taito	175	208	—	—	•		
4. *Gauntlet*/Atari	170	166	236	278	•		
5. *World Series, The Season*/Cinematronics	166	179	154	167	•		
6. *High Speed*/Williams	161	130	187	192		•	
7. *Sarge*/Bally Midway	149	78	70	—	•		
8. *Hang-On (Mini)*/Sega	149	—	—	—	•		
9. *Gladiator*/Taito	147	—	—	—	•		
10. *Gridiron Fight*/Tecmo	146	169	—	—	•		
11. *Hang-On (upright)*/Sega	133	194	186	198	•		
12. *Super Punch Out!!*/Nintendo	124	102	82	62	•		
13. *Pac-Land*/Bally Midway	120	—	81	—	•		
14. *Paperboy*/Atari	118	92	113	113	•		
15. *Hat Trick*/Bally Sente	116	68	105	—	•		
16. *Name That Tune*/Bally Midway	113	—	—	—	•		
17. *Mini Golf*/Bally Sente	112	88	63	90	•		
18. *Combat*/Exidy	108	—	—	—	•		
19. *Gimme A Break*/Bally Sente	106	92	—	—	•		
20. *Spy Hunter*/Bally Midway	103	92	111	111	•		
20. *Stocker*/Bally Sente	103	83	—	—	•		
22. *Cheyenne*/Exidy	101	95	93	155	•		
22. *Comet*/Williams	101	110	144	117		•	
24. *Demolition Derby*/Bally Midway	99	84	138	117	•		
24. *VS. Super Mario Bros.*/Nintendo	99	99	118	113	•		

NOTICE: The sole purpose of this survey is to determine on a regular basis the top performing games in the country. Any attempt to use the results of this survey for any other purpose is unauthorized, wrongful, and misleading.

NATIONAL PLAY METER

Game/Manufacturer	July 15	June 15	May 15	May 1	Video	Pinball	Novelty
26. *Tiger Heli*/Romstar/Taito	98	90	93	128	•		
27. *Break Thru*/Data East	95	119	—	—	•		
27. *Trojan*/Romstar	95	—	—	—	•		
29. *VS. Ladies Golf*/Nintendo	93	60	33	—	•		
30. *Ghosts 'N Goblins*/Romstar/Taito	91	103	—	147	•		
31. *Mat Mania*/Memetron	90	117	112	145	•		
31. *The Legend of Kage*/Taito	90	84	170	—	•		
33. *T.N.K. III*/Kitkorp	88	86	—	—	•		
34. *Tic Tac Trivia*/Merit	87	134	60	66	•		
35. *Ring King*/Data East	86	104	137	106	•		
35. *Crusin'*/Kitkorp	86	—	—	—	•		
37. *Star Rider*/Williams	85	119	—	42	•		
37. *Space Shuttle*/Williams	85	82	94	100		•	
39. *Pole Position II*/Atari	84	84	95	70	•		
39. *Temple of Doom*/Atari	84	92	109	120	•		
41. *Return of the Invaders*/Kitkorp	82	58	—	65	•		
41. *Choplifter*/Sega	82	92	107	105	•		
43. *Terra Cresta*/Nichibutsu	81	97	—	175	•		
43. *Phraze Craze*/Merit	81	121	—	—	•		
45. *Pole Position*/Atari	79	72	72	76	•		
45. *Kung Fu Master*/Data East	79	76	95	93	•		
47. *Jailbreak*/Konami	78	109	100	131	•		
48. *Cobra Command*/Data East	73	85	132	—	•		
48. *Punch Out!!*/Nintendo	73	61	53	70	•		
48. *1942*/Romstar	73	79	81	98	•		

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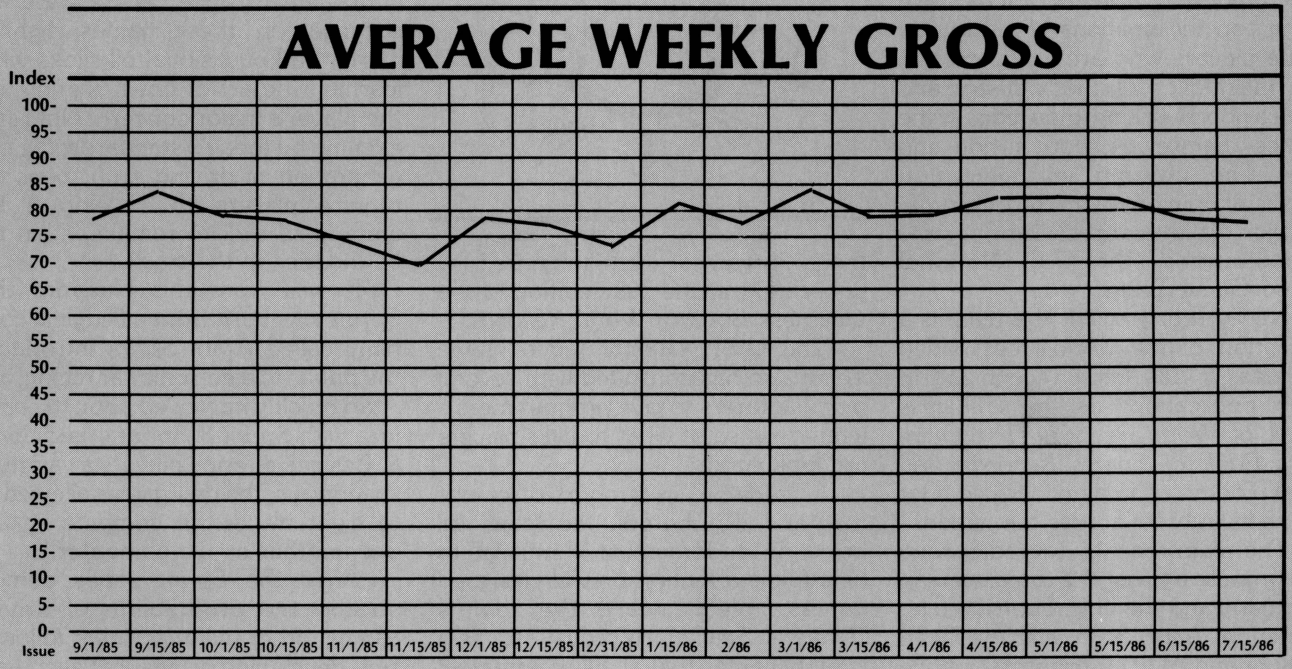


PLAYERS' PICKS

By
Steve Harris and
The U.S. National Video Game Team

Putting players first

Ask someone in the coin-operated amusement industry to name the industry's most important group, and, depending on whom you're talking to, the reply will be either manufacturers, distributors, or operators.

But while operators, distributors, and manufacturers are concerned about profits, the one segment of the industry that couldn't care less about how much games earn is the players, who only want to be entertained. And by dropping coins into a game, they decide the fate of each new title. It's the players, not the operators, the distributors, or the manufacturers, who keep the production lines going (or bring them to a grinding stop).

The players are the most vital link in the coin-op amusement chain, but they are also the most frequently overlooked group in the industry.

Representing players is the goal of this column. "Players' Picks" will bring you the opinions of a group of game players who are well versed in the mechanics of the industry and have a good working knowledge of the games themselves, both inside and out. The column will give you unbiased opinions from the only organization of players specializing in game consultations—the U.S. National Video Game Team.

Newly reorganized, the team is a collection of the world's best video athletes. It has been recognized in such publications as the *Guinness Book of World Records*, *The Guinness Book of Sports Records*, and *USA Today*, and has generated a lot of media interest across the nation.

The team recently toured Europe to compete against the top players in Germany and the U.K. Sponsored by Nintendo, Atari, Sega, and the Deith Leisure and ADP Distributorships, we defeated all opponents and returned home victorious.

The team is involved in promotions to improve the image of the coin-op industry. In June we co-sponsored a national tournament with Bally's Aladdin's Castles to benefit the March of Dimes in their fight to prevent birth defects. The results of the tournament, which included play on more than 125 games, were submitted for publication in the 1987 edition of the *Guinness Book of World Records*.

The U.S. National Video Game Team also has consulted with several manufacturers to give programmers a keener sense of what today's players are looking for.

In addition, in support of operators and distributors, the team will begin an endorsement campaign to help focus attention on well-designed games. We'll award the team's "Player's Seal of Approval" to help identify games that show the greatest potential for player acceptance and should be considered worthy investments.

In our "Players' Picks" column in *Play Meter*, we'll write about the latest trends and playing habits and which games appeal to team members and why. The column also will offer simple, low-cost promotions for some new games.

In this first "Players' Picks" column, U.S. National Video Game Team endorsements are awarded to two games originally previewed at the ACME show in March.

Atari's *Super Sprint*

With an identifiable theme that easily lends itself to computer translation, driving games always have fared well in video form.

Early games in this category featured a bird's-eye perspective that enabled players to see the entire race course at a glance. There were few surprises in these games; fighting inertia and occasional oil slicks while learning the art of down-shifting was the player's major concern. Not really exciting by today's standards, the first generation of driving simulations did require players to develop a fair amount of skill to remain within the boundaries of the track.

It was from this blueprint that *Sprint* was born from a fledgling company called Atari. *Sprint* introduced the public to electronic car racing, and Atari quickly improved upon the basic idea with *Sprint 2*, *Sprint 4*, and *Sprint 8*. Besides offering players a variety of speedways, the new games allowed up to eight players to compete against one another or the computer.

After the *Sprint* series demonstrated the profitability of driving games, other manufacturers followed suit, developing games that eventually brought players directly into the

action. Instead of displaying a static overhead view of the speedway, these first-person-perspective games, such as *Speed Freak* and *280 Zap*, put the player in the driver's seat, in effect turning the monitor into a windshield. Motion was created by rapidly moving pylons, road markers, and off-road scenery in proportion to the vehicle's imaginary speed. Although these black and white games were crude, they were a definite improvement.

The real breakthrough for driving-game enthusiasts came at the 1982 AMOA convention, where Atari debuted a new entry from Namco. *Pole Position* combined sparkling animation and realistic motion with an interactive quality unparalleled even today. *Pole Position* brought everything together in an exciting package that immediately antiquated existing driving games.

As computer technology has improved, other manufacturers have attempted to surpass the standards set by *Pole Position*. But even with such engineering advancements as multiple monitors (*TX-1* and *Speed Buggy*) and integrated laser-disc players (*Star Rider* and *GP World*), programmers have not been able to duplicate the universal appeal of *Pole Position* or its multiple-track sequel, *Pole Position 2*, although it must be noted that Sega's *Hang-On* simulator is an interesting, albeit expensive, alternative to *Pole Position*.

But Atari, with all its engineering ingenuity, has opted to pass up the latest hi-tech advances to return to the format that set the trend. Though *Super Sprint* possesses many cosmetic and internal enhancements, with it Atari has faithfully reproduced the *Sprint* driving game for a new generation of players.

Super Sprint expands upon the original concepts of its predecessor, combining new risk incentives with high-resolution graphics that create a pseudo-three-dimensional environment. Attention to detail makes *Super Sprint* one of the most interactive and playable games to come along in some time.

Play begins when players select one of three control stations, each of which corresponds to a different-colored car on the screen (up to three may play at once). Players next are prompted to select one of eight speedways. The more difficult courses award golden wrenches that can be exchanged in sets of three for extra traction, higher top speeds, turbo acceleration, or extra points. Each customized feature can be tuned-up five times before reaching top efficiency.

Once a track is selected the player is presented a detailed overhead view of its layout. Both the cars and the roadway are brilliantly rendered, with a variety of hazards and special detours depicted against the pavement.

Super Sprint

When the race is underway all four cars (both human opponents and computer drones) compete to make four laps around the track. Players must stay on the road by adjusting their steering and constantly using a foot pedal to regulate their speed through turns to avoid contact with the walls. Too much damage to the car and head-on collisions yield fiery explosions that consume time while a replacement car is delivered by helicopter. Also impeding safe travel are such dangers as oil slicks and tornados. While most of these obstacles cause spinouts, some, like expanding walls and missing pieces of guardrail, provide shortcuts for those who enjoy taking risks. Also appearing are wrenches that customize the car and point values that can be scooped up for higher scores.

When the race is over the winners and losers are displayed to the approval of flag-waving onlookers. Bonus points then are awarded on the basis of best lap time, average lap time, and final finishing position (first, second, or third). The winner then proceeds to the next race while the losers have the option to continue with their modified vehicles. Subsequent speedways feature hairpin turns, tunnels, and even aerial jumps that require precise positioning and top speed.

Super Sprint continues Atari's profitable multi-player line that debuted so successfully last year with *Gauntlet*. The ability to improve the status of a character made the buy-in feature appealing to players and encouraged them to continue the quest (which, unfortunately, had no goal). *Super Sprint*, in a similar manner, makes it possible to sustain a game already in progress (retaining all customized features acquired during the course of play), and allows competition to join in the action at any time. It's always nice to see a game that promotes camaraderie among players, and on that level *Super Sprint* succeeds.

Super Sprint is housed in a slightly larger than average cabinet to accommodate three players. It makes up for this minor drawback with a slick design that allows all three players to have a good view of the monitor. A larger coin box and additional coin slots give *Super Sprint* the earnings potential of three videos.

Although *Super Sprint*'s game play may seem a bit too contrived to interest today's demanding players, its constant interaction, physical involvement, and revamped audio and visual style make for intense video-game entertainment. *Super Sprint* is a highly recommended addition that should do exceptionally well in high-traffic locations.

Super Sprint boasts some fine graphics and animation (including a demo screen that definitely entices players), but it's the game's subtleties that make it so appealing. *Super Sprint* has qualities that should establish it as a classic, which its forerunner is already.

Nintendo's *VS. Super Mario Bros.*

Convertible games have been around for some time (Sega's Convert-A-Games and Data East's DECO System were early versions), but only recently have become widespread. Following the lead of Nolan Bushnell's Sente Technologies (now Bally Sente), several manufacturers now have systems of their own, and

even though none are interchangeable, they indicate that the game makers realize the operator's plight.

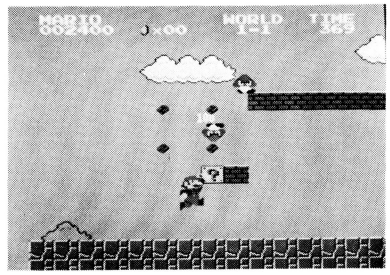
For a number of reasons, Nintendo's VS. System, a coin-op version of its successful home unit, has been accepted quickly, with more than 100,000 currently in circulation. The wide selection of games, add-on peripherals like a light gun, and inexpensive conversions have made the VS. System a good investment. Now, with the release of *Super Mario Bros.*, the VS. System is an even better buy.

The original *Mario Bros.* might be described as a quiet hit. Although it didn't receive much attention when it was first released, *Mario Bros.* developed a large following. Simple game play and head-to-head options make the game a steady earner even today.

Super Mario Bros. takes Mario and Luigi, the main characters of the original, on a new journey through eight fantasy worlds composed of four zones. Players travel above ground and in sewers, in the air and under the water, in an effort to reach the captive princess held prisoner in a far-away castle.

As players manipulate him using a four-way joystick and two buttons, Mario (or Luigi) can traverse the landscapes collecting coins and hidden mushrooms for extra lives. In certain locations the player may obtain red mushrooms that transform the little hero into Super Mario, doubling his stature and enabling him to smash bricks into rubble. To further strengthen their character, players can locate flowers that provide firepower to eliminate the pests standing in poor Mario's way.

Mario's enemies come in a wide range of shapes and sizes, each with special abilities and certain weaknesses. Most of the pests can be eliminated by jumping on their backs and crushing them. But some, like the spiked porcupines, must be avoided and can be killed only with fireballs. Most of the creatures are turtles, which can be used to kill other enemies, like toadstools and armadillos, by chasing behind using the "run" button. Other pests include fish, birds, ax-throwing turtles, flying turtles, and cannons. Even the topography becomes dangerous, requiring precise jumping and knowledge of the layout of each world. Mario's largest and most dangerous adversary is a fire-breathing, ax-wielding dragon encountered at the end of every world. He can be jumped or killed, but it takes several direct hits to down him.



Super Mario Bros.

At various intervals during play Mario can skip levels by entering "warp zones" that advance him to higher worlds. This is a great feature that frequent players will applaud.

Super Mario Bros. doesn't have state-of-the-art visuals, largely because of the limitations of the VS. System. The graphics it does have are bright, vivid, and adequate for the theme. The main selling point of *Super Mario Bros.* is its involving and ever-changing game play and the variety of hidden objects scattered around the playfield. In fact, it's the secret boxes that make this game so entertaining. You'll find many players will drop quarters into the coinbox to do nothing more than search for these unseen treasures.

Another feature worth noting is a continuation option for those players to find out what secrets may hide in the later stages of the game. Nevertheless, to prevent protracted playing time, Nintendo has programmed *Super Mario Bros.* with a finale. When the player finishes the game, he is treated to a short poem followed by a cartoon intermission. Then he is awarded 100,000 points for every remaining life. Not only does this give the player a sense of accomplishment, it urges him to play again and try for a higher score.

Super Mario Bros., even without flashy visuals, is a perfect example of a game geared for players. Its theme is easy for the novice to understand, yet it has enough variety to sustain the interest of frequent players.

Super Mario Bros. is an excellent addition to the line of software already available for the VS. System. Its straightforward game play combines a variety of successful themes from proven money-makers like *Joust* and *Pac-Land*. Although the graphics may be sparse, they are well drawn and complemented with colorful background music and detailed sound effects. *Super Mario Bros.* is a must investment for all VS. System operators and is without a doubt the best release available for the system.

Promoting *Super Mario Bros.*

Even though I've seen a few locations with *Super Mario Bros.* set at 50 cents a play, this game definitely should be set at one coin, one credit. Bonus units should be given in increments of 200 coins. Any lower increment will lead to players amassing large numbers of reserve men; higher requirements (250) will convince frequent players to go elsewhere.

A simple promotion for the game would be to offer free game tokens or a low-cost prize to the first player to complete the game and save the princess. Although you would be giving away just one prize, you would be able to entice a lot of players. Hang a poster above the game or put a sticker on the monitor glass announcing the contest:

WIN $10!
Be the first to rescue
the captive princess and
receive $10 in game tokens!

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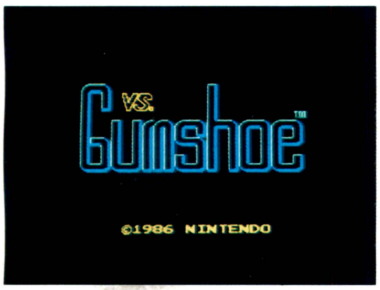

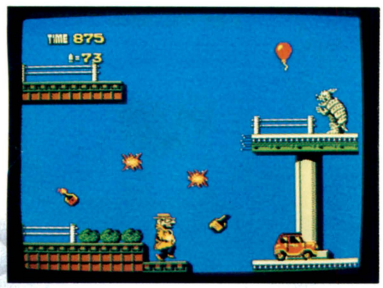

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[1]King Features Syndicate, Inc.
[2]TM of Bally Midway Manufacturing, Inc.

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Dimensions: 23¾" (W) x 32⅜" (D) x 68⅜" (H)
Weight: 250 lbs.

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Dimensions: 45¼" (W) x 33½" (D) x 67½" (H)
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TAX TIPS

By Jeffrey Rosenthal

Buying and selling real estate

I am asked more questions every year about real-estate transactions than any other subject. The subject is so complex that much of this column consists of definitions.

Financing

Financing comes from private or government-backed sources. Lenders include banks, savings and loans, and mortgage companies. Many builders have their own mortgage companies or provide financing at below-market rates in conjunction with a lender.

Conventional fixed-rate mortgages are available from major financial and private sources. Mortgage insurance usually is required. Down payments generally are not less than 10 percent. Points are charged by the lender to issue a loan (a single point is about one percent of the loan amount). For a typical conventional loan, a borrower may be required to pay from one and a half to four points.

FHA loans are insured by the federal government, therefore no private mortgage insurance is required. The down payment required may be as little as three percent. FHA lenders usually require several points. FHA loans are limited to from $65,000 to $90,000, depending on the region. It normally takes about six weeks for FHA loans to be processed. FHA loans offering graduated payment are available, but they have a negative amortization (see definitions).

Graduated-payment mortgages (GPMs) most often are buydowns in which the builder, seller, or buyer pays up front to lower the payments or interest rates charged for the first three to five years. The first-year payments of a GPM can be substantially lower than market rates. As a result, it is easier to qualify for a GPM when future increases are known with certainty. The common buydowns are the 3-2-1 and the 7.5 percent-10 percent.

In a 3-2-1 buydown, the first year's interest is reduced by three percent, the second year's by two percent, and the third year's by one percent. The 7.5 percent-10 percent buydown allows payments to increase by from seven and a half percent to 10 percent for the first three to five years of the loan (if the builder buys down the loan).

When a builder buys down the loan, the cost of the buydown is added to the cost of the property.

Fixed or guaranteed-payment VA loans guarantee the first $27,500 of any loan, thereby allowing qualified veterans to finance with little or no down payment. Processing takes a long time, and additional deposit requirements can be expected for mortgages of more than $110,000.

Adjustable-rate mortgages (ARMs) offer low initial interest rates and payments. ARMs normally are tied to some regional or national index and usually are adjusted every six months or annually (this is negotiable). Compared with other mortgages, qualifying is easy at the lower initial rate, but the percentage of your gross income allowed to go toward your house payments (about 25 percent to 28 percent) is enforced strictly by ARM lenders. Many kinds of ARMs are available, and caps (ceilings) on annual rate increases and the total increase over the life of the loan vary. Since adjustable-rate mortgages involve uncertainty in what may prove to be the biggest purchase of your life, I generally am opposed to them.

Financial terms

To understand completely what a seller or broker is talking about, you have to know the terms of real-estate finance.

Alternative financing includes adjustable-rate mortgages, graduated-payment mortgages, and buydowns—mortgage instruments for both new and existing homes that allow a buyer to qualify at a lower-than-market rate.

An **assumable loan** can be picked up by a subsequent buyer for a small assumption fee. It saves thousands of dollars in closing costs and loan-origination fees. Conventional loans that are assumable usually require a new application.

Closing costs and prepaids are costs paid in addition to the down payment on closing day. They can include the costs of fees for attorneys, loan origination (usually one percent of the loan amount), an appraisal, a credit report, document preparation, an escrow, surveying and recording, a tax escrow, hazard insurance, two months of private mortgage insurance (if the down payment is less than 20 percent), and sometimes the entire premium for the first year of private mortgage insurance.

Creative financing usually refers to the sale of an existing property. The seller provides part of the financing, or the lender "wraps" a new mortgage around an old one.

A **down payment** is a specified percentage of a property's value paid at closing. Down payments usually range from five percent to 25 percent of the purchase price.

A **mortgage** is a legal document that contains all of the terms and conditions of payment for a piece of property already transferred to the buyer. The mortgagor is the borrower; the mortgagee is the lending institution.

Negative amortization is the increasing of the principal balance of a loan, which results when payments are not enough to cover all of the interest due. Often negative amortization occurs when the payments required by a variable-rate or graduated-payment mortgage are lower than they would be at the market rate.

Negative cash flow results when the owner's cash outlay on a commercial/rental property exceeds the

income the property generates.

Prepayment penalties are fees charged to a borrower who pays off his loan before it is due. If there is to be no penalty for early repayment, the mortgage instrument must specify so.

Lenders require **private mortgage insurance** against default on loans of buyers making down payments of less than 20 percent and using conventional, including adjustable-rate, financing. Usually one-fourth to one-half of a percent of the loan amount, the premium is added to the monthly payment. The insurance usually is expected to be in effect on the date of the closing.

In **qualifying** for a mortgage, a buyer must be able to make the monthly payment using no more than 28 percent of his gross monthly income.

A **title** is a legal instrument that shows the buyer has clear ownership of the property. A loan usually will not be closed until the title company has assured the lender that the title is held clearly.

Special property styles

Condominium ownership is always of interior space only. You individually own the six interior walls and all of the space they contain. Exterior walls and other elements of the property are owned in common with other residents of the condominium "community," which is governed by a homeowner's association.

Cooperative ownership is of shares in a corporation that owns a building, including the apartments and all common areas such as lobbies and parking lots. Occupancy of particular apartments is determined by means of proprietary leases. Contrary to popular belief, those who live in cooperative buildings (co-ops) do not own their apartments. The cooperative is managed by a managing agent and governed by a board of directors that answers to the shareholders, who usually are represented by a committee.

Compared with other forms of real estate, cooperatives are difficult to finance and refinance. Although local laws governing co-ops have been improved, I am less impressed by co-ops than any other form of real estate.

Shopping for a mortgage

When you shop for a mortgage, lenders will ask you about your job history, your income, your credit history, your savings, and your life insurance. You must ask whether you have the money for a downpayment and closing costs and whether you have an equal amount for additional purchases and savings.

Here are some other questions you should consider when shopping for a mortgage.

- What is better for you, a fixed-rate or an adjustable-rate mortgage?
- If you pay more points, can you get a lower interest rate?
- What will be the difference in the monthly payments if different terms are considered?
- With an adjustable-rate mortgage, how often is the rate of interest adjusted? What is the adjustment based upon, and what are the highest and lowest rates in a given year?
- What is the highest possible rate? Is there an interest cap over the life of the loan?
- Is the interest rate quoted at the time of the loan application locked in, and will you close at the same rate? What happens if the general rates increase or decrease?
- What will the monthly payment be? Will it include real-estate taxes, school taxes, water and sewerage fees, or fire insurance?
- What is the required down payment?
- Is the loan assumable?
- Does the loan have a prepayment penalty?
- How long will it take to close the loan?

How to sell property

- Make a good first impression. Paint, redecorate, landscape, and clean.
- Lighting helps. Illuminate as well as possible when the property is shown.
- Make minor repairs. Loose ends make people think more is wrong.

IRS continues 1099 crackdown

As previously reported in *Play Meter*, the Internal Revenue Service has been aggressively enforcing the rules requiring those who pay more than $600 a year to an account that is *not* a corporation (including "S" corporations) to report those transactions to the IRS by filing Form 1099 Miscellaneous.

The crackdown is continuing. In northern New England, an operator is undergoing an audit, and the auditor is making an issue out of the operator's failure to file 1099s. Further, since the operator admitted reading about 1099s in *Play Meter*, the IRS has imposed penalties for "intentional disregard" of the law (loose lips sink ships).

In my opinion, the position of the IRS is far from absolute. Central to the issue is to analyze and establish the exact relationship between a vending-amusement operator and a location owner. No one denies that the location owner is compensated for allowing a vending-amusement machine to be placed in his location. The problem lies with this question: What is this compensation called? Rent? Lease income? Or is it income derived from a joint venture?

In the first two cases, the IRS is totally justified in its position. But there is another possibility. In the latter case, we must revert to your state's general business law. If you conclude that "revenue sharing" more accurately describes the situation, then we must look to your state's law governing joint ventures.

The concept of joing venturism is simple. Two or more business entities act together to achieve a common goal. Both entitles must act independently. In this case, the operator buys and maintains the vending-amusement devices, and the location owner maintains and staffs his premises and holds them open to the public.

The New England case, which properly has been referred to the courts, promises to be significant. For the record, the operator is very well represented.

Finally, it appears that at least some of the operator's problems were self-inflicted by idle chit-chat. Follow one simple rule when you are audited—speak only when spoken to, and, whenever possible, let your representative speak for you. If you have something to say to your representative, excuse yourself, and speak to your representative in private.

I will advise you as this case develops. •

- Clean and illuminate basements.
- Clean closets and storage areas.
- Avoid discussing faults of the property. That's the salesman's or broker's job.
- Don't oversell.
- More houses sell in spring and summer than other seasons. A cheap cost of paint and a few plants may increase the selling price dramatically.

Other definitions

The confusion of selling or buying property can be avoided if you understand real-estate jargon. Here are definitions of some real-estate terms.

- Acre—4,840 square yards or 43,560 square feet.
- Abstract of title—A written summary of the title history of a piece of real estate.
- Acceleration clause—A provision of a mortgage or a note that provides that the entire outstanding balance will become due and payable.
- Assessed value—The value placed on a piece of real estate by the local taxing authority. Also called an assessment.
- Binder—A preliminary agreement to purchase, often secured by the payment of earnest money. Also called an offer to purchase.
- Due-on-sale—A mortgage clause that gives the lender the right to require immediate repayment of a mortgage balance if the property changes hands.
- Earnest money—The deposit money given to the seller or his agent by the potential buyer at the time of the purchase offer. If the offer is accepted, the money becomes part of the down payment.
- Easement—A right to the limited use of land owned by another. An electric company, for example, could have an easement to put up electric power lines over someone's property.
- Encumbrance—Anything that affects or limits the title to a property, such as outstanding mortgages, easement rights, or unpaid back taxes.
- Equity—The value of a piece of property less the mortgages against it. When the mortgage and all other debts against the property are paid in full, the owner has 100-percent equity in his property.
- Broker commission—A sum due a real-estate broker for his services. Unless other terms are made, a broker's commission is due and payable when it has been earned (at closing). Some states regulate the commission rate. Unless regulated, the commission rate varies from five percent to 10 percent of the sale price. The average rate is about nine percent.

If there is no exclusive agreement, a broker is not entitled to commission if, although he introduced the purchaser to the seller, he did not bring them to an agreement, and the transition was subsequently negotiated by another broker or the buyer and seller.

A broker also is not entitled to his commission if the buyer refuses to take title because of ordinary street encroachments. But if the sale is prevented by encroachments upon abutting owners, the broker is entitled to his commission.

You may want to include the following statement in your written agreement with the broker (exclusive or not): The broker agrees to forego the payment of commission in the event the sale is not consumated by a transfer of title.

- Exclusive right to sell—An employment agreement under which the exclusive right to sell for a specified period is granted to a broker. If during the term of the agreement a sale of the property is made by the owner himself or by any other broker, the broker holding the exclusive right to sell is entitled to compensation nevertheless.
- Fixtures—Personal property, such as hot water heaters or plumbing, that becomes permanently attached to a piece of real estate and is included in the sale of the property.
- Plat—A map of a piece of land showing boundary lines, streets, actual measurements, and easements.
- Refinancing—Paying off an old debt with a new loan secured by the same property.
- Sales contract—A written agreement between buyer and seller specifying the terms and conditions of the sale. It should specify the buyer and seller, the property description and location, the price and terms, the type of deed, the closing location and date, and the signatures of the buyer and seller.
- Second mortgage—A loan on a property that already has a mortgage (first mortgage). The second mortgage is subordinate to the first mortgage. The maximum amount of the second mortgage is based on the equity.
- Survey—A land map prepared by an angineer or surveyor charting a specific piece of property.
- Title search—A check of the public records to disclose the facts about a specific piece of property.
- Transfer tax—A tax imposed in some cities, counties, or states when property passes from one owner to another.

Refinancing

When should you consider refinancing? Experts agree you should refinance only when you can reduce the rate of interest by two and a half percentage points. You will have another closing, more points, and more origination fees.

Savings

How much savings should you have after the closing and down payment? Generally two to three times your monthly expenses is considered a safe amount, but five to six times would be safer. •

Jeffrey Rosenthal is an operator and a tax accountant. He can be reached by writing M&J Tax Service, Ltd., 1967 Bath Ave., Brooklyn, NY 11214, or calling (718) 232-0342.

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Billboard©

TOP TEN

Hot 100

TITLE	ARTIST Label & Number/Distributing Label
1. HOLDING BACK THE YEARS	SIMPLY RED ELEKTRA 7-69564
2. INVISIBLE TOUCH	GENESIS ATLANTIC 7-89407
3. THERE'LL BE SAD SONGS (TO MAKE YOU CRY)	BILLY OCEAN JIVE 1-9465/ARISTA
4. NASTY	JANET JACKSON A&M 2830
5. WHO'S JOHNNY ("SHORT CIRCUIT"THEME)	EL DEBARGE GORDY 1842/MOTOWN
6. SLEDGEHAMMER	PETER GABRIEL GEFFEN 7-28718/WARNER BROS.
7. DANGER ZONE	KENNY LOGGINS COLUMBIA 38-05893
8. NO ONE IS TO BLAME	HOWARD JONES ELEKTRA 7-69549
9. YOUR WILDEST DREAMS	THE MOODY BLUES POLYDOR 883 906-7/POLYGRAM
10. TUFF ENUFF	THE FABULOUS THUNDERBIRDS CBS ASSOCIATED 4-05838/EPIC

Adult Contemporary

TITLE	ARTIST Label & Number/Distributing Label
1. YOUR WILDEST DREAMS	THE MOODY BLUES POLYDOR 883096-7/POLYGRAM
2. NO ONE IS TO BLAME	HOWARD JONES ELEKTRA 7-69549
3. GLORY OF LOVE (LOVE THEME FROM THE KARATE KID PART II)	PETER CETERA FULL MOON/WARNER BROS. 7-28662/WARNER BROS.
4. THERE'LL BE SAD SONGS (TO MAKE YOU CRY)	BILLY OCEAN JIVE/ARISTA 1-9465/ARISTA
5. ON MY OWN	PATTI LABELLE & MICHAEL MCDONALD MCA 52770
6. THE BEST OF ME	DAVID FOSTER AND OLIVIA NEWTON-JOHN ATLANTIC 7-89420
7. INVISIBLE TOUCH	GENESIS ATLANTIC 7-89407
8. MODERN WOMAN (FROM "RUTHLESS PEOPLE")	BILLY JOEL EPIC 34-06118
9. YOU SHOULD BE MINE (THE WOO WOO SONG)	JEFFREY OSBORNE A&M 2814
10. THAT'S WHY I'M HERE	JAMES TAYLOR COLUMBIA 38-05884

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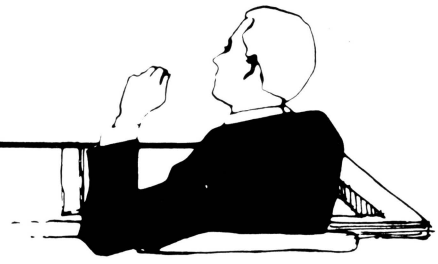
Country

TITLE	ARTIST Label & Number/Distributing Label
1. HEARTS AREN'T MADE TO BREAK (THEY'RE MADE TO LOVE)	LEE GREENWOOD MCA 52807
2. UNTIL I MET YOU	JUDY RODMAN MTM 72065/CAPITOL
3. ON THE OTHER HAND	RANDY TRAVIS WARNER BROS. 7-28962
4. NIGHTS	ED BRUCE RCA 14305
5. LOVE AT THE FIVE AND DIME	KATHY MATTEA MERCURY 884 573-7/POLYGRAM
6. I WISH THAT I COULD HURT THAT WAY AGAIN	T GRAHAM BROWN CAPITOL 5571
7. NOBODY IN HIS RIGHT MIND WOULD'VE LEFT HER	GEORGE STRAIT MCA 52817
8. ALL TIED UP	RONNIE MCDOWELL MCA/CURB 52816/MCA
9. SOMEBODY WANTS ME OUT OF THE WAY	GEORGE JONES EPIC 34-05862
10. ROCKIN' WITH THE RHYTHM OF THE RAIN	THE JUDDS RCA/CURB 14362/RCA

Dance Disco

TITLE	ARTIST Label & Number/Distributing Label
1. SLEDGEHAMMER (REMIX)	PETER GABRIEL GEFFEN 0-20456/WARNER BROS.
2. NASTY (REMIX)	JANET JACKSON A&M SP-12178
3. RUMORS/VICIOUS RUMORS	TIMEX SOCIAL CLUB JAY 001/MACOLA
4. PETER GUNN	THE ART OF NOISE FEATURING DUANE EDDY CHRYSALIS 4V9-42992
5. OH L'AMOUR (REMIX)/WALK ON DOWN THE LINE	ERASURE SIRE 0-20471/WARNER BROS.
6. BABY LOVE	REGINA. ATLANTIC 0-86813
7. ARTIFICIAL HEART (REMIX)/OH NO IT'S U AGAIN	CHERRELLE TABU 427-05386/EPIC
8. JUMP BACK (SET ME FREE)	DHAR BRAXTON SLEEPING BAG SLX-19
9. I'M YOUR MAN (REMIX)	BARRY MANILOW RCA JD-14330
10. OPPORTUNITIES (LET'S MAKE LOSTS OF MONEY) (REMIX)	PET SHOP BOYS EMI-AMERICA V-19206

Recognizing bank credit criteria



by Bryan E. Milling

Bank credit can make a valuable contribution to the success of a business. Indeed, few businesses grow and prosper without a bank's financial assistance. From another perspective, the failure to qualify for a bank loan can hamper the progress of a promising operation.

Consequently, a business owner should recognize the credit criteria that justifies bank credit consideration. That recognition prevents any unrealistic expectations when the business owner requests a bank loan. Moreover, the basic financial criteria provide useful guidelines for management. The business that operates within those guidelines enjoys a measure of financial security, even if a bank loan doesn't stand as an immediate concern.

Of course, in any circumstances, a *bona fide* purpose stands as a necessary prerequisite for a business loan. That is, the loan must provide the financial lubrication that facilitates some profitable business objective. That objective may be a higher sales volume to increase the borrower's profits. Or it may be an equipment purchase to increase earnings by reducing production costs. In any event, requesting an indefinite loan amount for some indefinite purpose guarantees the loan request will be refused.

Presuming the purpose warrants serious consideration of a loan request, a bank then examines the prospective borrower's financial circumstances. Naturally, that examination focuses on the income statements that gauge the firm's financial performance, and the balance sheet that provides a view of the firm's financial condition.

Ideally, the income statements should display profitable operating results over several consecutive operating periods.

Unfortunately, demonstrating profitable operations for one month or one quarter does not overcome the psychic obstacle that a long history of losses sets before a banker.

At the same time, an occasional loss doesn't necessarily exclude a business from credit consideration. A sensible lender can understand the cause of a loss during a single operating period. But the borrower must demonstrate the changes in the firm's circumstances that set the stage for a profitable future.

In any circumstances, a prospective borrower's balance sheet must demonstrate that the business enjoys a satisfactory financial condition. That involves a number of financial considerations, but two primary concerns typically orient a bank's review of a business balance sheet.

The borrower's liquidity is one of those concerns. Liquidity represents a firm's ability to meet its current obligations. The more liquidity a business displays, the more assurance a lender feels about the ultimate repayment of any credit consideration.

The *current ratio* provides the most important measure of a prospective borrower's liquidity. That ratio summarizes the relationship between a firm's current assets (cash, accounts receivable, and inventory) and its current liabilities (accounts payable, accruals, and any other obligations due within 12 months).

Thus, the current ratio for a business with $50,000 in current assets and $25,000 in current liability becomes:

$$\frac{\text{Current assets}}{\text{Current liabilities}} = \frac{\$50{,}000}{\$25{,}000} = \underline{\underline{2}}$$

The firm has a two-to-one current ratio. According to the traditional rule of thumb, that represents the minimum level of liquidity necessary to qualify a business for a bank loan. Presumably, a lower current ratio raises questions about a firms ability to meet its current obligations promptly. Alternatively, a higher ratio adds to the financial foundation necessary to qualify for credit.

Of course, a rule of thumb isn't etched in stone. In some circumstances, a current ratio that falls well below the traditional criterion may not eliminate the potential for a bank loan. In other circumstances, a higher ratio won't offset a borrower's negative attributes. But the two-to-one current ratio still is the common standard for the level of liquidity necessary to qualify a business for bank credit consideration.

A bank also is very concerned about a prospective borrower's debt load. Another ratio provides the common criterion for evaluating that burden. That ratio relates a firm's total

debt to the total equity in the business.

Thus, we find the *debt/equity ratio* for a business with $40,000 in total liabilities and $20,000 in owner's (or stockholder's) equity as follows:

$$\frac{\text{Total liabilities}}{\text{Owner's equity}} = \frac{\$40{,}000}{\$20{,}000} = \frac{2}{1}$$

The business has a two-to-one debt/equity ratio. Creditors provide two dollars to the business for every dollar committed by the business owner. Generally, a higher debt/equity ratio disqualifies a business from bank credit consideration. A couple of premises presumably justify that traditional limit.

First, a bank views the owner's equity in a business as the first line of defense against any financial setback a borrower might incur. Requiring at least one dollar in equity for every two dollars in debt helps ensure that the owner—not the bank—will absorb any losses that develop from that setback. Experience proves that as a borrower's debt/equity ratio rises above the two-to-one level, the financial protection provided by the owner's equity shrinks dramatically.

The other premise that makes a higher debt/equity ratio unacceptable to a bank proceeds from a realistic view of human nature. Bankers realize that a borrower is less concerned about protecting a lender's interest than his own. Consequently, as debt rises relative to a firm's equity, many business owners tend to exercise less management caution. Presumably, risk becomes more acceptable when creditors will bear the brunt of a management mistake. From a banker's perspective, requiring at least one equity dollar for every two provided by creditors helps discourage that attitude.

Of course, even sophisticated bank credit analysis is subject to error, and a business that initially appears credit worthy can sustain a setback that leads to financial failure. Consequently, a bank usually requires collateral as additional security for a business loan. That requirement is common even though a borrower satisfies the bank's financial standards for credit worthiness.

Thus, to obtain a bank loan, a borrower must pledge all or a significant part of the firm's assets to the bank. The bank then liquidates those assets should the business lose its capacity to repay. Fortunately, that need seldom arises. But collateral provides the bank with the additional protection necessary to justify loans to businesses operating in an uncertain economic environment.

Finally, one other standard bank requirement should be noted. A bank expects a business owner to become personally liable for any credit consideration extended to his firm. That requirement exists even though the business entity is incorporated.

The requirement for personal guaranty encourages management prudence while the business uses the bank's money. After all, the business owner reaps the benefits from the incremental earnings gained from a bank loan. Logically, the owner should help bear the brunt of any loss the bank might sustain should the business fail.

Of course, a business owner might not like the idea of providing a personal guaranty for a bank loan. Indeed, he also may find the bank's basic credit criteria unreasonable and the requirement for collateral unfair.

But a business owner should not overlook the golden rule that orients bank lending practice: Those with the gold make the rules. To obtain bank credit consideration, a borrower must satisfy the bank's requirements. •

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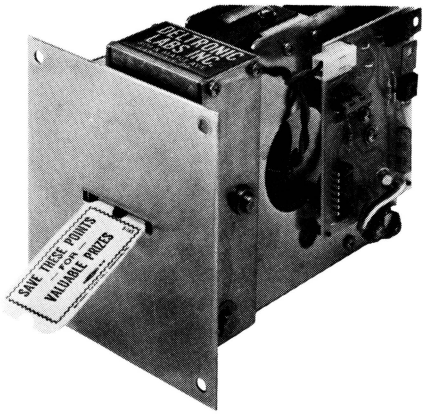

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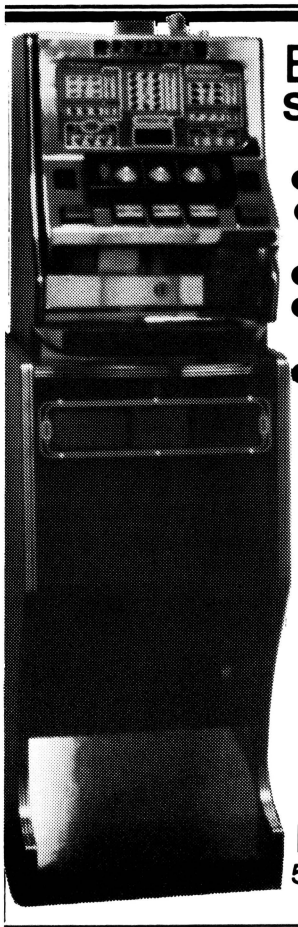

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Doyle and Associates has added *Hoop Shot!* and *Pro Pitch!* to its line of sports games.

Both *Hoop Shot!* and *Pro Pitch!* register the game time, the win score, the bonus option, the number of coins required, and the number of tickets per win. Operators may order the units with an optional ticket dispenser. The games have a free-play button that can be switched on and off.

Tunes such as "Sweet Georgia Brown" and "Take Me Out to the Ballgame" enhance play. Operators may change the music timing with dip-switch settings.

For a free color catalog or more information, write Doyle and Associates, P.O. Drawer 49467, Sarasota, FL 33578-6467, or call (813) 351-2835.

Breath Shot

Brooke-Co Marketing, Inc., has developed *Breath Shot*, a specialty machine that vends mouth rinse and floss.

Breath Shot dispenses three-fourths of an ounce of non-alcoholic mouth rinse in a sealed cup with a cellophane-wrapped floss pick. It is designed for rest rooms of restaurants, airports, hotels, and commercial buildings.

Breath Shot is 10 inches square, 18 inches high, and can be installed on a wall or a custom-made stand.

Brooke-Co offers a rental program and a support program that includes full parts replacement and vandalism protection.

For more information, write Brooke-Co Marketing, Inc., 21 Locust Ave., Suite 2D, New Canaan, CT 06840, or call (203) 972-1167 or (203) 966-8232.

Lazer Maze

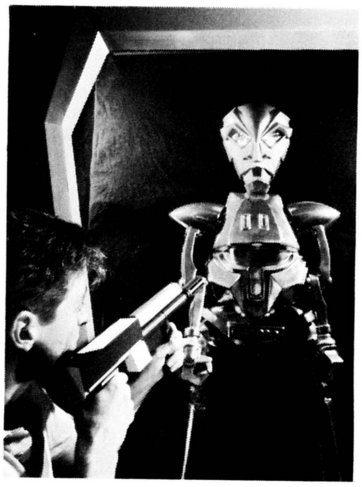
Players enter cloud-filled chambers with a lazer blaster in hand in *Lazer Maze*, a new kind of video game introduced by Lazer Maze International, Inc., a subsidiary of High Technology Recreation (HTR) Industries, Inc., of Canada.

Lazer Maze integrates computers and robotics in a space fantasy recruiting players to fight attacking animated metallic creatures that lunge forward in each of four chambers. The sequence of attacks is always random, and players never see the same scenario twice.

Each player enters the maze alone seeking to destroy the robots. There are three levels of play, each increasing in intensity and requiring more skill and the use of a different gun.

Players are issued a personal plastic ID card on the first visit for $5, which inluces one round of play. Subsequent rounds are $2 each. The card stores difficulty-level data and total scores for all the player's matches.

For more information, write Lazer Maze International, Inc., 1033 La Posada Drive, Suite 160, Austin, TX 79752, or call (512) 459-0508.



Gauntlet II

Atari Games has introduced *Gauntlet II*, a multi-player, add-a-coin video with a buy-in feature that expands on the original *Gauntlet* with more than 100 new mazes, more monsters, and unusual player objectives. It is available in four-player or two-player dedicated versions and as a kit to convert existing *Gauntlet* four-player and two-player games.

Many randomizing features are included to diversify game play and let the player make more tactical decisions while encountering secret rooms, moveable walls, closed treasure chests, fake exits, stun tiles, force fields, and poisoned food.

Added to the original *Gauntlet* opponents are Super Thief, Super Sorcerer, the Acid Puddle, the IT Creature, the Mugger, and the Dragon. New potions include invulnerability, repulsiveness, reflective shots, super shots, and transportability.

Players can choose a favorite original character: Thor, Thyra, Merlin, or Questor; even if that hero is in play.

All *Gauntlet II* games and kits shipped in the U.S. and Canada will include promotional material and game-play features for an Atari contest called *Gauntlet II* Player Quest. Atari will award more than $12,000 in prizes to contestants.

Kits contain a full set of EPROMs, a new attract decal and control panel, an overhead display sign, and replacement joystick switches.

For more information, write Atari Games Corporation, 675 Sycamore Drive, Milpitas, CA 95035, or call (408) 434-3750.

Ninja Web

Allegro, Inc., has introduced *Ninja Web*, a microprocessor-based full-board reflex and reaction skill game.

Ninja Web is patterned after a visual-activity training device used by professional athletes. It features a rapid sequence of 64 optical lights that flash randomly behind a color illustration of a Ninja warrior. Players must make contact with a flashing light before it moves to another spot on the panel. Light patterns are never repeated in the same sequence.

A control pad allows the player to choose from four skill levels: "Rookie," "Warrior," "Trainer," and "Grand Master."

Players also may select from three different games: Ninja Conquest, a reaction game; Tutor, a memory-recall game; and Ninja Countdown, a test of speed. Players may adjust the playfield from all 64 lights to the inner 32 by pressing a button. The display gives game information such as daily high-score winners in each game.

Ninja Web is 48 inches wide, seven inches deep, and 87 inches high. The electronics are behind the front panel, and because the illustraiton can be changed to include other game themes and new firmware, conversion kits are possible. The playing surface is designed to withstand most abusive play.

For more information, write Allegro, Inc., 17635 NE 67th Court, Redmond, WA 98052, or call 1-800/841-9019.

Powerline G05400

Gladwin, Inc., has introduced the *Powerline G05400* coin telephone.

The *Powerline G05400* is a prepay, voice-assisted, line-powered phone that uses a high-security standard housing. The answer-supervision circuitry allows full and accurate detection, simulating central office functions.

Other features include coin metering, a variable-rate-structured chip, and variable programmable access dialing options.

For further details, write Gladwin, Inc., Route 1, Box 370-A, Oakwood, GA 30566, or call (404) 536-6023.

Laser Music

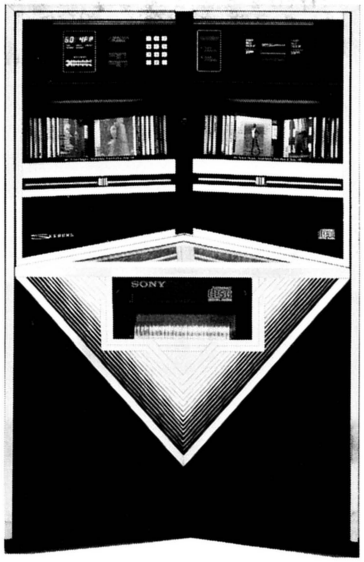
Seeburg Corporation has introduced the *SCD-1 Crusader Laser Music* compact-disc jukebox that offers more than 600 artist-oriented selections.

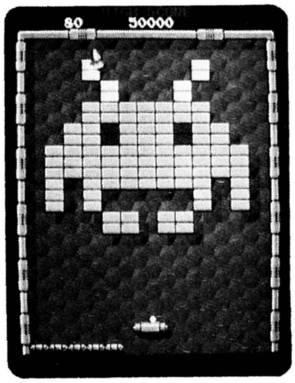
The system's laser reads digital light impulses and translates them into analog signals and then music. The system adds range and clarify, and allows customers to select an entire disc or individual song.

The jukebox is set to play three selections for $1 and, for $5, 18 plays or one disc and play credits remaining for individual song titles. A bill validator accepts $1, $2, and $5 bills.

Features include single-key entry, a removable magazine and title-cover holder for easy disc installation and changes, and a stereo amplifier providing 200 peak watts per cahnnel.

For more information, write Seeburg Corp., 1105 Westwood Ave., Addison, IL 60101, or call (312) 543-1270.





Arknoid, Empire City: 1931

Romstar, Inc., has introduced two new kits—*Arknoid* and *Empire City: 1931*—licensed from Taito.

Arknoid players maneuver a "Vaus" craft left and right in an effort to shatter three wall sections (normal, hard, and indestructible) with an energy ball. The game includes 33 rounds of play in which players break through the walls and get power-up capsules that can expand the length of the Vaus craft, enable the Vaus to fire laser beams, or warp the player into the next playfield, among other results.

As walls are broken, "harmfuls" creep through and must be eliminated with the energy ball. The round is cleared when all wall sections are broken.

In *Empire City: 1931* the player becomes a Manhattan youth who single-handedly fights the Mafia to avenge his family's death.

The player begins with 170 bullets and may add to the supply by hitting a small box hidden in scenes of the game. A gold bar inside the box adds bonus points. The player must elude the criminals trying to shoot him down. On-screen arrows help locate the gangsters. The ultimate goal is to shoot the Mafia boss with one shot before he shoots the player.

For more information, write Romstar, Inc., 3043 Kashiwa St., Torrance, CA 90505, or call (213) 539-2744.

Big Bucks

DynaSoft has introduced *Big Bucks Trivia Quest*, a kit that converts *Pac-Man* and *Ms. Pac-Man* into a one- to four-player trivia video with a game-show mode of play.

Players compete for prize money and special recognition while answering from among 10,000 questions in six categories.

Big Bucks electronics can be installed in 15 minutes, according to DynaSoft, with no drilling, soldering, or flipping the monitor. The kit can be installed in other cabinets with a *Pac-Man* mother board in conjunction with *Big Bucks* hardware.

An American-made conversion for uprights or cocktail cabinets, the kit comes with new electronics, plexi, decals, a control-panel overlay, and new T-molding.

For more details, write DynaSoft, 3218 McConnell St., Joplin, MO 64801, or call (417) 781-2212.

Electrica-ITT

Payphone, Inc., has introduced the *Electrica-ITT* pay telephone, which is manufactured by Standard Electrica-ITT of Spain and meets all FCC specifications.

The phone's design features a flexible configuration to allow only local calling or local calling and the option of no-coin dialing for any one or combination of operator and operator-assisted long-distance calls, information calls (411, 1-555-1212, and 1-area code-555-1212) and 800-WATS calls.

The *Electrica-ITT* can allow access to all long-distance carriers via a local call and credit-card billing. Other features include a pre-pay system, no-coin 911 dialing, a locked coin box, and acceptance of nickels, dimes, and quarters.

The unit allows touch-tone or rotary dialing, three-minute, five-minute, 10-minute, or unlimited-time calls, and a one-year warranty on all electrical parts and labor. It is equipped with a handset adapted for the hearing impaired.

For more information and distributor pricing, write Payphone, Inc., P.O. Box 1233, Clemmons, NC 27012, or call (919) 766-6100 in North Carolina or 1-800/255-5547 outside North Carolina.

Rygar

Tecmo, Inc., has introduced *Rygar*, a video kit that invites the player to become a legendary warrior who journeys through 27 rounds of play to reach a temple and battle the temple master's monster.

As the hero, Rygar, the player must travel through forests and caverns, over snow-capped mountains and fire and lava pits, and down valleys and raging rivers while battling prehistoric creatures with his main weapons, a spiked ball and quick reflexes.

Along the way, Rygar can get five power shields by clobbering rock headstones. Behind each stone are jewels or stars that can bring out the power shields, each of which adds to the warrior's powers. One shield makes him briefly invincible.

Players can buy-in up to round 20. The game feataures 300 three-dimensional scenes, including a waterfall sequence.

For more information, write Tecmo, Inc., 18010 S. Adria Maru Lane, Carson, CA 90746, or call (213) 329-5800 in California or 1-800/457-6050 outside California.

Black Belt, Rampage

Bally Midway has introduced *Black Belt*, a karate-themed pinball, and *Rampage*, a multi-player video with a buy-in feature.

Black Belt includes a diagnostics package that permits testing without a manual, factory-installed mylar on key wear points, an eye-level alpha-numeric display, and built-in playfield inclination. It also has an operator-selectable, self-percentaging feature.

Other features include a karate-chop flipper, a soft skill shot off the plunger, a continuous-volley ramp, and the ability to let high scorers enter their initials on the display.

Rampage is a three-player game that lets the player be one of three monsters: Ralph the werewolf, Lizzie the lizard, or George, the giant gorilla. The eight-way joystick and jump and punch buttons permit players to climb and destroy buildings, find and eat food, avoid various hazards, and fight each other. Players can remain on the attack as they move through 85 cities and see 768 different screens.

For more information, write Bally Midway Manufacturing Co., 10601 W. Belmont Ave., Franklin Park, IL 60131, or call (312) 451-9200.

Omniphone 2010

Intellicall, Inc., has introduced *OmniPhone 2010* for the long-distance private pay phone market.

Omniphone 2010 allows customers to pay cash or charge calls to major credit cards at one phone. Business long-distance calls can be made without coins, and receipts come with monthly statements.

Omniphone 2010 reads the magnetic strip of all major credit cards, checks the validation date, and sends the information along with the dialed number to a call processor, Summa Four PTS1000, which routes the long-distance call and stores billing information for later reporting.

The phone provides detailed accounting of the kinds of calls made, such as number of local, long distance, or 0 +. It has expanded features of the California Model 2001, including time-of-day discounts, speed, and free numbers.

For more information, write Intellicall, Inc., 12790 Merit Drive, Suite 624, Dallas, TX 75251, or call (214) 392-0005.

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GUEST COMMENTARY

National pay-phone accounts want operators

by Gail Sherman
vice president of marketing
Cointel Communications

The following is a transcript of a speech made at the Business Communications Review 3rd Annual Private Pay-phone Conference May 6 in Chicago.

Remember the scene from the movie *The Graduate*? A very young Dustin Hoffman gets cornered at his college graduation party by a middle-aged businessman intent on sharing the secret to success with Dustin. "Plastics" he whispers, "plastics."

As we all sit here at BCR's third pay-phone conference, we might think of this as a graduation party of sorts. While some of you are new to the industry, I see many familiar faces among you, all graduates of the University of COCOT.

For the past two years, you've done your homework and learned your lessons on a wide variety of subjects—dealing with the utilities commissions, getting a product to market, perfecting answer supervision, installing and servicing pay phones. And your progress has been admirable. By some estimates, there are upwards of 25,000 [private] pay phones installed and working throughout the country.

And that's a terrific accomplishment for two years' work. But the vast majority of these installations are at mom-and-pop establishments—the neighborhood restaurant, the local bar, the corner gas station.

Now you're ready to enjoy some economics of scale. Instead of securing location after single location, selling pay phones one at a time, you want to go after a real *account*. One with many locations to whom you can sell in quantity.

And with all that experience behind you, you're ready to conquer the most lucrative account of all—the national account.

Let me share with you the secret to success, the sure way to capture those elusive but highly profitable national accounts.

Vending.

If you doubt me, consider where the pay-phone industry stands today *vis-a-vis* national accounts. *Not one* large-scale end user has purchased pay phones outright—either from a manufacturer or a distributor/operator. While these end users have expressed a tremendous interest in private pay phones, both in interviews with the media and to everyone who has pitched them, their interest is in having an outside vendor come in to own and operate the pay phones at their locations. The national accounts are thrilled at the prospect of getting a commission check that beats what they've been getting from the phone company without having to assume the risks involved in owning their own equipment. But before you leave this conference thinking how easy it would be to set up a vending operation, let's take a realistic look at the specific requirements.

A perfect example is Denny's, the largest and certainly the most celebrated national account to enter the private pay-phone industry to date. Denny's is a first-class operation and demands nothing less from its suppliers. I know firsthand, because prior to joining Cointel I worked for Denny's advertising agency, Foote, Cone & Belding, as the account executive on Winchell's Donut House, a Denny's subsidiary. I found the Denny's management to be a pleasure to work with because they are so professional. But their standards are tough.

Here's a sampling of the requirements Denny's has set for its pay-phone vendor:

1. The vendor must provide the pay phone of Denny's choice, and the phone must be capable of completing coin and credit-card calls.
2. The vendor also must provide at the vendor's expense all services and equipment, partitions, fixtures, and anything else needed to operate the pay phones.
3. If a Denny's location undergoes remodeling, the vendor will relocate phones to other locations of Denny's choosing at the vendor's expense.
4. The vendor is responsible for collections and must assume all financial responsiblity for dishonored credit cards and loss of uncollected funds.
5. All repairs must be made within 24 hours of being reported, requiring the vendor to have a service center open around the clock.
6. If any phone is out of service more than 48 hours, the vendor must pay Denny's the full commission that would have been paid had the phone been in service.

It's a rigorous list of requirements, and it demands a pay-phone vendor with a first-class operation to fulfill it. But if you want to benefit from owning and operating pay phones in the nation's most lucrative locations, you must be prepared to offer your accounts the kind of equipment and service Denny's demands of its vendor. And that requires more than distribution rights to a pay phone. It requires sufficient capitalization and a responsive service organization with broad capabilities.

To date, very few pay-phone operators are positioned to provide that kind of full-service vending to a national account. Some can do it on a local level. One pay-phone distributor is trying to organize some of these local operators into a nationwide network that can realistically vend a national account.

It's too early to tell whether any one organization can vend pay phones on a broad enough scale to attract national accounts. And it may be that national accounts will have to form their own network of local vendors if they want to profit from privately owned pay phones.

But one thing seems clear. The large end users are not going to buy pay phones, at least not in the foreseeable future. So if you want to do business with them, whether nationaly or on a local or regional level, be prepared to be a vendor. Only then will you be able to own and operate pay phones in some of the most profitable locations around.

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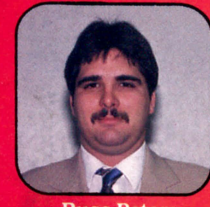

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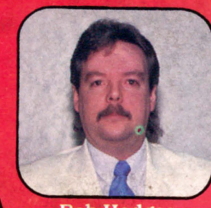

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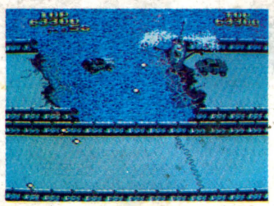
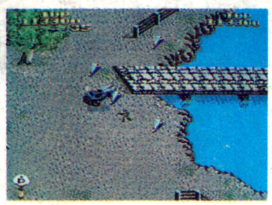


BRIDGE



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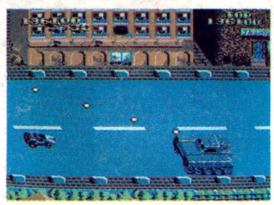

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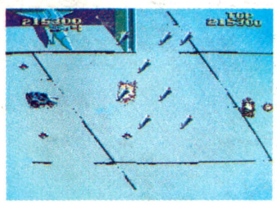

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